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MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 18th DAY OF JANUARY OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 18th day of January 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Miguel M. Bustos
Francee Covington
Leroy King

And the following Commissioner(s) were absent:

Agnes Briones-Ubalde

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Fred Blackwell, Executive Director, and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** No Reportable Action.

3. **MATTERS OF UNFINISHED BUSINESS**. None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA:

(a) Authorizing a 2011-2012 Work Order Agreement with the Mayor's Office of Housing in an amount not to exceed $325,000, from July 1, 2011 to June 30, 2012, for homeownership assistance activities; Citywide Tax Increment Housing Program. (Resolution No. 1-2011)

Commissioner Covington requested Item 4(a) be removed from consent and indicated that she did not need a full staff presentation, but did have a question.

REGULAR AGENDA

(b) Authorizing a 2011-2012 Work Order Agreement with the Mayor's Office of Housing in an amount not to exceed $325,000, from July 1, 2011 to June 30, 2012, for homeownership assistance activities; Citywide Tax Increment Housing Program. (Resolution No. 1-2011)

Commissioner Covington asked how staff is keeping track of the Certificate of Preference (COP) holders. She addressed the last page of the staff report which states " The success of the new Agreement will be measured by the following items: Number of households receiving housing counseling; number of households who become homeowners; increases in the number of homeownership lottery applicants; decreased number of households in need of post-purchase counseling to avoid foreclosures". Ms. Covington indicated that there was no mention of the COP holders which is a very important demographic to keep track of, and stated that she did not want to lose track of the COP holders, yet again. Ms. Covington asked what the process was in ensuring that the Agency is doing what it can that the certificates are being utilized.

Mr. David Sobel stated all contracts that are being executed by the housing counseling providers require they do at least one workshop for certificate holders. This is specified in their contracts and are required to report on all homeownership activities not only in general for the whole population, but to also report on how many certificate of preference holders were served in each of the categories. Mr. Sobel indicated that it is a contractual requirement which the Mayor's Office collects the information and provides the Agency with two reports per year containing the data.

Commissioner Covington inquired as to why the COP holders information was not included in the staff report as well as other information that was also delineated which, as she pointed out, would have been a measurement of success.

Mr. Sobel stated the information on the certificate of preference program outreach and counseling was mentioned within the memorandum, and included in each contract with each counseling organization.

Commissioner Covington stated it was important to her that it be a measurement of success.

Vice President Singh put forth a motion to move item 4(a).

Commissioner Covington seconded Mr. Singh's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 1-2011, AUTHORIZING A 2011-2012 WORK ORDER AGREEMENT WITH THE MAYOR'S OFFICE OF HOUSING IN AN AMOUNT NOT TO EXCEED $325,000, FROM JULY 1, 2011 TO JUNE 30, 2012, FOR HOMEOWNERSHIP ASSISTANCE ACTIVITIES; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

(c) Commending and expressing appreciation to Sonja Johnson for her 38 years of dedicated service on the occasion of her retirement from the Redevelopment Agency of the City and County of San Francisco. (Resolution No. 2-2011)

Presenter: Amy Dawson, Administrative Service Manager

Speakers: Oscar James

Commissioner Bustos thanked Ms. Johnson for her dedication and appreciation for 38 years of service, wholly and purely, to the City and County of San Francisco and its residents. Commissioner Bustos put forth a motion to move item 4(b).

Commissioner Covington stated 38 years shows an incredible amount of "stick-to-it-ness" and dedication, and also points to the fact when staff retires from the Agency they are people of long tenure; 41 years-42 years, and shows that people who come to work at the Agency are very loathed to leave until it is time for them to retire. Ms. Covington thanked Ms. Johnson.

President Swig stated he too agreed with his fellow Commissioners that 38 years is a long time and referenced recent retiree Mr. Oscar James' comment that Ms. Johnson knew where everything was which brings up the fact that the real intellectual property are within the people who have dedicated themselves to the Agency; they are the cultural glue that keeps the Redevelopment Agency family together. Mr. Swig indicated that without people like Ms. Johnson and Mr. James, they wouldn't have been able to enjoy the solid successes the redevelopment has had and will continue to have as other contributors stay around for a long time and maintain that culture. Mr. Swig thanked Ms. Johnson.

Commissioner Covington seconded Mr. Bustos' motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 2-2011, COMMENDING AND EXPRESSING APPRECIATION TO SONJA JOHNSON FOR HER 38 YEARS OF DEDICATED SERVICE ON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

(d) Conditionally Approving the Pocket Park Schematic Design for Phase 1 of the Hunters Point Shipyard and adopting environmental findings pursuant to the California Environmental Quality Act; Hunters Point Shipyard Redevelopment Project Area. (Resolution No. 3-2011)

Presenter: Amabel Akwa-Asare, Agency Staff

Speakers: Dennis Lumsey, Oscar James, Henrrieta Wallace, Ace Washington, Christine Johnson, Espanola Jackson, Dorris Vincent

Commissioner Covington commended Conger, Moss, Guillard; Stevens & Associates and Adrienne Wong Associates for their creativity in putting together the sixteen pocket parks which she stated will be a delight to the eyes and provide some respite for the soul. Ms. Covington was glad to know that there was extensive discussions with the PAC about the materials. Ms. Covington asked how the parks will be maintained, in particular as it relates to the number of deciduous trees which can cause problems in terms of stopping up drains.

Ms. Akwa-Asare indicated for the purpose of maintaining all the parks, a community facilities district was specifically established for operation and maintenance of the parks. A special tax will be assessed to the residents in the area of which those funds will cover the maintenance of all the parks. She stated that maintenance estimates have been conducted and will be updated to ensure the maintenance budget will suffice for all the parks.

Commissioner Covington expressed her concern about backless benches which she believes are not suitable for people under 6, and over 60, but was glad to know that the overwhelming majority of benches do have backs. Ms. Covington asked if there was mention of skate guards.

Ms. Akwa-Asare stated one of the conditions of approval is to have further discussions on installing skate guards wherever necessary.

Commissioner Covington indicated that there was no mention in Rules and Signs for loud music.

Ms. Akwa-Asare stated the rules in the booklet are samples used in other parks. Suitable park rules will be established by the property management company that will be maintaining the parks, along with residents within the park areas.

Commissioner Covington stated there has been discussions, on many occasions, on Black History as it relates to the Shipyard and the Bay Area and asked for the location of where the walkway with different sign posts of history will be located.

Ms. Akwa-Asare indicated that the Cultural Historic and Commission Program has several elements that will celebrate the history of the Shipyard. The public art project is one element which has art pieces that relate to the history of the Shipyard and will be located in the regional parks. The second element will be historic signs located on Phase One on Parcel E; they are working with Lennar to define the locations. A history walk is being contemplated for Parcel B.

Commissioner Covington asked if disease plant materials were being taken into consideration.

Mr. Moss stated plant materials have been taken into consideration, and it is his understanding that Lennar has assessed plant performance at the site which will also be taken into account.

Commissioner Covington noted in the illustrations that there were hills covered with grass and asked if they were "climbable" by youth.

Ms. Moss stated the hills have been planted with tall grass that has been hydro ceded and are not accessible and fenced along the lot lines. There are currently curbs or planting that separates the park from the slope with the notion that people will stay away from the edge; they do not want to interrupt the views which are essentially the heart of the projects.

Commissioner Covington put forth a motion to move item 4(c).

Commissioner Bustos stated he was glad the issue of skate guards was mentioned since there problems in parks and other public spaces that do not have skate guards. Mr. Bustos mentioned that he noticed there is not enough space in the parks for children to have swing sets.

Ms. Akwa-Asare stated the pocket parks are very small parks and are designed to coordinate with the adjacent buildings. There are play areas in the regional parks, one play area on the hilltop on Innes Court, and another play area on the hillside of the central park.

Commissioner Bustos indicated that the naming of the parks is very important in honoring the community and leadership of people who are present and those who have already passed, and stated to do otherwise would be a missed opportunity. Mr. Bustos stated he hopes the parks will be named after community leaders who stood the test of time when no one else wanted to pay attention, and knows there are more than 16 leaders that have come out of Bayview Hunters Point that should be honored. Mr. Bustos proposed to his fellow Commissioners that they work together as a city family with City Planning and the Board of Supervisors to express to them the importance of honoring the community and the people that have helped make it what it is, and what it will become in the future. Commissioner Bustos seconded the motion.

President Swig asked General Counsel Morales if the suggested condition by Commissioner Bustos of naming parks after leaderships would be appropriate to add to the resolution as a condition at this time or at a later time.

General Counsel Morales indicated that it would be appropriate to place the condition to have staff explore the options for doing that and report back to the Commission.

President Swig asked Commissioner Bustos if he agreed to General Counsel's recommendation.

Commissioner Bustos agreed.

Commissioner Covington agreed to the friendly amendment.

Commissioner Singh asked how many parking spaces are within the park area.

Ms. Akwa-Asare stated the parks are all accessible to the public with at least 200 parking spaces on the streets.

Commissioner Singh asked what the anticipated completion date was for the parks.

Ms. Akwa-Asare stated construction of the pocket parks will be in line with the construction of the vertical development.

Vice President Singh asked how tall the trees will grow in four to five years.

Mr. Moss stated the 15 gallon trees will grow up to 7-8 ft., depending on the species. Mr. Moss stated they are looking for a variety of smaller trees to avoid blocking views.

Commissioner Anaya stated one of the main concerns is jobs and asked whether the Agency is combining efforts with other agencies on workforce development and jobs, specifically in the maintenance area.

Ms. Akwa-Asare stated there are requirements to include local workforce which Lennar is aware of, and have had a good track record for doing so. The maintenance contract is an important aspect and will be handled by the Agency which will ensure local hire workforce development.

President Swig suggested in continuing what is already in place with regard to hiring practices of local community people and San Franciscans before they are outsourced, and stated since there are guidelines already in place for construction, he suggested those guidelines continue to be sustained so those guidelines continue in perpetuity post construction as well. Mr. Swig asked who would be responsible for the ongoing maintenance of the park.

Ms. Akwa-Asare stated it would be the responsibility of the Agency to maintain the parks.

Mr. Blackwell stated the system for maintenance of the parks at the Shipyard replicates and builds on successes at other Redevelopment Project Areas such as Mission Bay, Yerba Buena Gardens, and the South Beach Harbor which are great examples of parks that are well maintained in the City.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 3-2011, CONDITIONALLY APPROVING THE POCKET PARK SCHEMATIC DESIGN FOR PHASE 1 OF THE HUNTERS POINT SHIPYARD AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(e) Authorizing a Predevelopment Loan Agreement, in an amount not to exceed $684,000 with Bayview Supportive Housing, LLC, a California limited liability corporation, in conjunction with the development of 121 very low-income senior rental housing units and a ground floor senior center, 5800 Third Street, Lot 3, and making environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program. (Resolution No. 4-2011)

Presenter: Pam Sims, Development Specialist, Housing

Speakers: Cathy Davis, Pastor Arelious Walker, Espanola Jackson, Dennis Lumsey, Oscar James, Ace Washington

Commissioner Covington read from the staff report on page 13, "if this housing is financed with HUD program 202 funding, then the number of units will be reconsidered to provide the most competitive application for the program guidelines; also, if developers are unable to get Project Based Section 8 (PBS 8's) for all units, it is anticipated another subsidy will be secured." Ms. Covington asked when staff anticipates bringing the item back before the Commission if any of those actions happen.

Ms. Sims stated the additional request is for predevelopment funding to get the project through 12 months of predevelopment work at which time the developer will have researched the availability of obtaining PBS 8's, as well as researching the possibility of obtaining 202 funding. Ms. Sims stated the purpose of the predevelopment funding is to research financing for both the housing and the Senior Center. Staff will be back before the Commission within a year to give the Commission an update with an additional predevelopment request.

Commissioner Covington indicated this to be a very important project and put forth a motion to move item 4(d).

Commissioner Bustos seconded Ms. Covington's motion.

Commissioner King stated he fully supports the project and would like to see it completed. He pointed out that there have been many meetings held with the late Alex Pitcher and would like to see the project completed.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 4-2011, AUTHORIZING A PREDEVELOPMENT LOAN AGREEMENT, IN AN AMOUNT NOT TO EXCEED $684,000 WITH BAYVIEW SUPPORTIVE HOUSING, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, IN CONJUNCTION WITH THE DEVELOPMENT OF 121 VERY LOW-INCOME SENIOR RENTAL HOUSING UNITS AND A GROUND FLOOR SENIOR CENTER, 5800 THIRD STREET, LOT 3, AND MAKING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

(f) Authorizing a Predevelopment Loan Agreement with Mercy Housing California 51, a California limited partnership, in an amount not to exceed $3,201,909 for predevelopment expenses related to development of 56 units of very low-income family rental housing at 200 Sixth Street (formerly the Hugo Hotel); South of Market Redevelopment Project Area; Citywide Tax Increment Housing Program. (Resolution No. 5-2011)

Presenter: Jeff White, Agency Staff

Speakers: Oscar James, Espanola Jackson, Ace Washington

Commissioner Singh stated it was mentioned in the paper that this project in particular would be in jeopardy if the funds were cut off by the government, and asked Director Blackwell for clarification.

Director Blackwell stated that one of the Governor's proposals is the elimination of the Redevelopment Agencies by July 1st of this year. That proposal acknowledges the presence of existing commitments; one category is bonds that have been issued and need to be repaid, and the other has to do with contractual obligations. The Governor's intent is to redirect dollars that would have gone to Redevelopment Agencies back to the State's general fund in order to help balance the $25B deficit which means they will be looking for all monies that have not been already committed to sweep and to commit to the State's general fund. Mr. Blackwell stated that this project, as many other affordable housing projects that are in the pre-development or planning phase, would fall into the category of projects that have not been fully obligated. Mr. Blackwell stated there is much that still needs to be debated, it is not the time to push the panic button who are in the pipeline or who are in support of Redevelopment. Mr. Blackwell stated there are issues of constitutionality and a lot of debate and discussion at the legislative level; it is not yet clear since the proposals have been translated into specific bills, what is actually going to be proposed. He stated that it is too early to tell whether projects such as this, would be in jeopardy or not but the first read based on what is being proposed is that it would be in jeopardy.

Commissioner Singh asked what the obligations would be if the project was not approved today.

Director Blackwell stated what is being approved is the predevelopment loan which will provide the developer with the resources to do the design work, seek additional funds to bring down per unit costs, and go through the entitlement process. The action today would not fully commit the Agency to fully fund the project.
President Swig quoted on page two of the staff report under Background, "The artist and the Agency have a current Permit to Enter Agreement to maintain and ensure the public safety of the installation. The agreement maintains the artwork as property of the artist and requires the removal of the installation prior to the Project's development". Mr. Swig asked what would happen if the project goes forward and the artist claims the artwork and does not have the funds to move the artwork to another location.

Mr. White stated the permit to enter anticipates the scenario that if the artist does not have the funds to remove the artwork, the artwork would then become the property of the Agency, and is not certain what would happen to the artwork.

President Swig recommended the issue be clarified in advance.

Mr. White stated for clarification that the permit to enter does indicate that in the event the artist does not remove the artwork, it becomes the property of the Agency.

President Swig asked what the timeframe is for the artist to remove the artwork once he is properly noticed.

Mr. White stated he was not certain and would get back to the Commission on the timeframe.

Vice President Singh put forth a motion to move Item 4(d).

Commissioner Anaya seconded Mr. Singh's motion.

Commissioner Covington stated the building is located in the South of Market and close to the Chronicle building which has a roof garden. Ms. Covington asked if there was any discussion about making the roof of the new development a place where people can relax.

Mr. White indicated that part of the design includes a rooftop garden for the residents of the project.

ADOPTION: IT WAS MOVED BY COMMISSIONER ANAYA, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 5-2011, AUTHORIZING A PREDEVELOPMENT LOAN AGREEMENT WITH MERCY HOUSING CALIFORNIA 51, A CALIFORNIA LIMITED PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED $3,201,909 FOR PREDEVELOPMENT EXPENSES RELATED TO DEVELOPMENT OF 56 UNITS OF VERY LOW-INCOME FAMILY RENTAL HOUSING AT 200 SIXTH STREET (FORMERLY THE HUGO HOTEL); SOUTH OF MARKET REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

(g) Workshop on the proposed design concept for a new Mission Bay UCSF Hospital parking garage on Block 39; Mission Bay South Redevelopment Project Area.

Speakers: Espanola Jackson

In response to Ms. Jackson's inquiry regarding local hiring, Ms. Cindy Leama stated they hold meetings for anyone interested in local construction jobs on the second Thursday of each month at 2 pm. In response to whether UCSF is required to follow the recent City legislation of local hiring, Ms. Leama indicated that as a State institution, they cannot mandate local hiring based on location of residents, however, UCSF is firmly committed to hiring local residents. The work hours for San Francisco residents based on hours worked was 26% on the Mission Bay Hospital project, UCSF's average over the last 19 years has been 12%, and they are working hard to improve that in setting their own goals to re-double those efforts. Ms. Leama stated they are currently working on how to establish their whole program. Ms. Leama stated their Mission Bay website posts a flyer describing their commitment to hiring local workers on the construction project, and will be tracking and posting their results monthly.

Commissioner Bustos stated he could not emphasize enough how important local hiring is to the Commission. He stated if it's San Francisco money, if it's San Francisco land, then San Franciscans should benefit; they are not requiring 100%, but at least 50%. Mr. Bustos asked that they see this commitment as an investment in their next projects that people want to have either in Mission Bay or anywhere else in San Francisco. Mr. Bustos indicted it was about justice and how can they make sure that San Franciscans can stay in San Francisco, and one of the ways to do that is through giving them jobs and opportunities, not just in construction, but in everything else. Mr. Bustos emphasized again, they are not asking for 100%, but at least 50%. Mr. Bustos stated it is his hope that UCSF, as a good neighbor, helps the Agency with local hiring since it is very important not only to the Commission, but for the people who live and breathe in the communities every single day.

Commissioner Covington echoed what Mr. Bustos stated. Ms. Covington indicated that she too has been a proponent of local hiring for many years, to the extent when housing was proposed on the site, she asked that the housing be diversified so that people who actually work in the laundry room, in the janitorial staff also be included in the mix for those people who are eligible for housing, that it not only be the best and the brightest from all over the world who are there as residents. Ms. Covington stated it would be fairly feasible to have a broader representation of people particularly from the Bayview to be trained and hired in those positions. Ms. Covington indicated that it would not be right, nor would it befit to have three new hospitals with a helipad, and not have access to ongoing employment. She stated that she is more interested in jobs that people can have that lead to long term careers such as Ms. Johnson, 38 years at the Redevelopment Agency. Ms. Covington stated that other people should have the same opportunity at UCSF and should make the monies they need to send their children to college so that they can do their post grad work at UCSF. Ms. Covington asked if the garage was on the property line since the parking structure on Third Street is an abomination; it is an entryway to Third Street and stated something has to be done since it is not of benefit to the community.

Ms. Reilly indicated that the it is currently set back off the property line, however, if Owen Street is ever realigned, it is being designed to allow Owen Street to be shifted a few feet in toward UCSF's property which at that point would be constructed at the property line with a 10 foot wide landscaped buffer.

Ms. Yanamaguchi stated with respect to the Third Street garage since they too are concerned about the appearance on the Third Street side of the garage as Mr. Covington, they are working to remedy the problem and are in the final stages of negotiating an agreement with the contractor to place the glass channels that were removed from the façade with more opaque glass to conceal the structure behind it. It is there hope they will have mockups up by April and insulation of the glass channels to follow shortly thereafter. She will relay Ms. Covington's concerns to Sr. Vice Chancellor Plots.

Commissioner Covington stated that she wanted to underscore that it has been five years since the discussions have been going on and it's time to get some movement.

Vice President Singh stated it is his opinion that UCSF in Mission Bay is the best thing that's happened to San Francisco and expressed his appreciation.

President Swig stated because of the discussion of State funding to redevelopment agencies, the Agency does bricks and mortars but the result is enhanced communities and the result is enhancement of people's lives. He expressed that he has to underscore again what he believes is the responsibility of UCSF to provide as many jobs as possible through the local community and keep that local community flourishing as best as possible.

Commissioner Anaya stated it is important to note what her fellow Commissioners have expressed, which she too supports, the importance of addressing the issue of jobs and workforce to the communities. Ms. Anaya stated that UCSF does have the opportunity to address those concerns and indicated it is a unanimous request and expectation of the Commission in looking to UCSF's leadership in providing jobs and workforce to the communities.

5. Matters not appearing on Agenda

6. Persons wishing to address the members on non-Agenda, but Agency related matters.
Espanola Jackson, Randall Evans, Ace Washington

7. Report of the President

- President Swig reported that Commissioner Covington requested to add an item to the Agenda related to the $800,000 Agency Grant made to the Office of Economic Workforce Development for the purposes of increasing business activity in the Fillmore Commercial Corridor. Prior to moving forward on that, Mr. Swig requested Director Blackwell to provide an informational memorandum to provide background and context as to what has been done to the project. He stated that the goal of the $800,000 was to stimulate business activity along the corridor and appreciated the Executive Director's initiative to put together a substantial and informative memo which provides context and a discovery of issues, but did not answer the question on the actual distributions of funds to street level merchants; there is approximately $650,000 remaining in that fund which is intended to stimulate programming along the Fillmore commercial corridor. Mr. Swig requested Director Blackwell to add the item on the Agenda for the next meeting to specifically inform the Commission exactly what the plans are for the remaining $650,000.
- President Swig stated that there were articles in the paper about initiatives reviewing all redevelopment agencies within the State which he stated as some were true facts, but mostly fiction, and as they move forward, he and Director Blackwell will attempt to continue to report on the truth and false reporting. Mr. Swig stated that they took instant action by going straight to the State to discover what was behind what was coming out of Sacramento and what we the front pages of the newspaper was reporting. Mr. Swig and Director Blackwell met with Senator Leno the previous Friday and doesn't know anyone more supportive of San Francisco, the community, and of the intention of the San Francisco Redevelopment Agency than Senator Leno. Mr. Swig stated that Senator Leno is the Chair of the Budget Committee which will propose the legislation to make the adjustments for Redevelopment Agencies. He stated that the State of California has serious and perilous financial exposure and needs to reduce debt and its deficit, and to do that, one of the proposed areas is Redevelopment. The Governor has proposed and indicated the possibility of closure of Redevelopment Agencies as a discussion item. Mr. Swig indicated that nothing has been formally discussed or conceived,

the budget committee hasn't meet and won't meet until early February, and will resolve this issue within 30-45 days; no one knows at this time. He stated that Senator Leno heard them very clearly, asked great questions to which the Executive Director and others made great answers. Senator Leno's legislative aide, responsible for the Budget Committee, joined them via conference call and Director Blackwell made it very clear that all Redevelopment Agencies do not do the same thing; San Francisco does a lot of things that other Agencies in this State do not do, and that there are long term agreements and contracts that will make it extremely difficult to sweep San Francisco Redevelopment Agency away with every other Redevelopment Agency in the State. Mr. Swig stated when Director Blackwell was discussing the list of items the San Francisco Redevelopment Agency does, Mr. Swig could see there were moments when Senator Leno was not aware of certain facts or had not thought of the extent of the circumstances and the domino effect of what would happen if you sweep every Agency off the map. Mr. Swig stated there is a still a lot to be resolved, and everyone is working hard at finding a positive result to this very difficult issue. Mr. Swig reiterated that they are significantly supportive of the Governor and clearly understanding that the State is in a state of financial distress. He stated that the Agency needs to do its fair share and work very hard to see that the State of California prospers, that the Governor is supported, and that the Agency stays in business supporting the local San Francisco communities.

- President Swig stated that it his opinion that Fox News presents on a one sided fashion and was not aware that Fox News represented the Bay Guardian and Beyond the Chron. He reported that articles they wrote were hit pieces, presented a one sided view, and never bothered to call him, Mr. Blackwell or anyone else in the Agency for backgrounds or clarifications of the facts. He stated that those two publications should be responsible enough to ask for the facts and present the facts when they go to write an article on the San Francisco Redevelopment Agency; the Agency is always forthcoming with the facts.

8. Report of the Executive Director: Update on Governor Brown's State Budget Proposal

- There was a very successful Martin Luther King celebration at the Yerba Buena Gardens, and received a message from the Director of MoAD that said there were over 1,900 visitors at MoAD with the line wrapping around the block to get in to experience not only MoAD, but the other Museum facilities that were in Yerba Buena.
- In reference to the Governor's proposal, what is potentially at risk under the proposals with the caveat being, as President Swig stated, that nothing is abundantly clear yet because the Governor's proposals has not been translated into specific legislation for the legislators to consider. There are four basic points in the Governor's proposal, and one trailing point. The first point of what the Governor is

proposing is elimination of Redevelopment Agencies by July 1st. The second point is that the proposal acknowledges that all the Redevelopment Agencies throughout the State have existing obligations both in terms of servicing debt and repaying bond issuances, and also contractual obligations that need to be met. The third point relates to the first point - that the proposal calls for the establishment of successor entities that would be in place after Redevelopment Agencies to carry on Redevelopment like activities and to fulfill those existing obligations as mentioned under point two. The Governor's proposal does not make it clear what those successor entities would do beyond writing checks in order to service debt. The fourth point is that the Governor's proposal also puts forward the notion that local economic development funds can be established that do the same things that tax increment can do, but that it would require a 55% voter approval for new assessments. He stated that it is not clear whether the existing tax increment would roll into the successor entities of the new funds, but clear that the Governor is seeking realignment and as a part of that, he is pushing more authority and responsibility to the local level. Mr. Blackwell The notion of establishing successor entities would coincide with the notion that the successor entities would not be State chard agencies anymore that work on behalf of local jurisdictions, but they would be local jurisdictions and local departments themselves that would carry out Redevelopment like activities. The fifth piece, not necessarily in the proposal but was put forward after the proposal, was that the legislative analyst office recommended that the legislator immediately consider emergency legislation to stop Redevelopment Agencies from making obligations between now and July so they would not be further committing themselves beyond where they are already committed. Mr. Blackwell indicated one of the important things to note was that this became the source of wild rumors up and down the State, some of which resulted in some Agencies rushing to have special sessions to obligate more money before the emergency legislation was proposed. Discussions with Senator Leno and other State legislators, it is very clear that while that was in the legislative analyst report, it was a rumor, and there had been no legislation that had been proposed of the emergency nature to stop agencies from making those obligations, and that many of the legislators are of the opinion that if something like that was introduced, it would be putting the cart before the horse since no decision has been made yet with regard to dismantling Redevelopment Agencies. Mr. Blackwell indicated that anything is possible, there is nothing out there now, nor does it suggest that there is anything out there this week to stop agencies from taking future action. That is important to this Agency since bonds have not been issued for the current program year, and staff will be before the Commission in the near future to issue the bonds for the current program year for non-housing activities. There are serious question marks about what the Governor's proposal means. An example is what an obligation means. Bonds that have already been issued present an obligation and those Bonds have to be repaid. They are also acknowledging contractual obligations. The Agency has contractual obligations through the Disposition and Development Agreements at Mission Bay, HPSY, and Transbay; those contractual agreements contemplate issuing bonds well into the future in order to meet those contractual obligations. The notion of being able to continue to issue bonds and collecting tax increment to meet obligations is key in the debate. As mentioned by President Swig, meetings with the State Legislators and representatives at the State to advise them on what is at stake in San Francisco continues. There is a lot at stake, not only are the large development projects potentially in jeopardy, there is also a list of affordable housing projects that are in pre-development or planning phases that would not constitute an obligation that would be in serious jeopardy. While Visitacion Valley has been established as a project area, there is no Disposition and Development Agreement with UPC for revitalization of the Schlage Lock site, the commercial corridor work on Third Street, and Sixth Street, which they contemplate on Leland Avenue, and would fall into the category of money that has not been committed which would be in jeopardy. The funding of workforce development programs would also be in jeopardy as it relates to construction and permanent jobs. There is a lot at stake and believes all the representatives at the State level now have an understanding of that. At the local level, Mayor Lee has expressed the importance of Redevelopment and in working with the Agency on an action plan. Mayor Lee is meeting with the Ten Big City Mayor's and are positioning themselves in that they understand full well the budget picture at the State level, and feel there is a need for local jurisdictions in Redevelopment Agencies to work in collaboration with the Governor and legislators to come up with solutions, but do not think the elimination of Redevelopment Agencies is the way to go, nor do they think that the Governor or the Legislators should be coming up with alternative proposals and solutions without them. Their position is that the Mayor's need to be at the forefront of whatever alternative proposals are developed, or reform pieces of legislation that get developed in response to this. Lastly, what is being looked at is a response to Proposition 22 that was passed by the voters in November which states that the State cannot take funds from Redevelopment Agencies in order to balance the State budget, and believes the State has come to the conclusion that if there are no Redevelopment Agencies, then that money that would have gone to Redevelopment Agencies would go towards balancing the State budget. The projections in the Governor's budget proposal are that as much as $2B could be available to be redirected to the State's general fund. Mr. Blackwell believes part of the strategy is to express to people at the State level that there is a lot at stake if Redevelopment were to go away, but believes there is an obligation on Agencies in local jurisdictions to help figure out how to help the State through the tough economic times as well. Mr. Blackwell indicated that he will keep the public and Commission informed as it goes forward. He believes they are weeks away from seeing the legislation that accompanies the Governor's budget proposals which will bring clarity. In addition to working with the elected officials, they are communicating with the press on what's at stake and are addressing the misrepresentations of the facts in the articles mentioned by President Swig. They are currently working on editorials responding to the misrepresentations of the facts and anticipate sending them to the editors of those publications this week.

9. Commissioners' Questions and Matters:

- Vice President Singh stated that he was in communication with Senator Leno and expressed that he would do anything that he could to the best of his ability to help the Agency.

- Commissioner Covington asked if it makes any difference that the Agency is both a City and a County.
  - Director Blackwell indicated it does make a difference in terms of the practical implications of the proposal in various specific ways. The San Francisco Redevelopment Agency is the only agency in the State that does not take all of the tax increment that's available. The Agency submits a budget to the Board of Supervisors and the Mayor's Office every year that is based on the work program and what can be accomplished from one year to the next. It is a negotiation between the Agency and the county entity. In most instances, local jurisdictions take all the increment available to them as a way to get money to the cities away from the counties and to maximize the amount of revenue that comes into a local jurisdictions general fund. As a result of the relationship, and the fact that the Agency is a City and County, the Agency ends up taking on a number of projects annually that would have been supported by the County's General Fund. Director Blackwell stated that Mayor Lee was the only Mayor that did not come out in strong support of Proposition 22 which outlawed the taking of Redevelopment funds in order to balance the State budget because he knew that he had to balance City and County issues and locking in one entity while everyone else was experiencing pain, he did not think that was necessarily the way to go.
- Commissioner Covington stated when there is a sunset of a project area, it is essential that the Commission receive a report at the podium on what is being transferred to what entity within the City Government. Ms. Covington urged the Commission to ask for such a presentation.
- President Swig asked that Ms. Covington's request be added to the next agenda.
  - Director Blackwell indicated they would include the item within the next two Commission meetings.

- Commissioner Covington stated, in terms of the Americas Cup that the Agency look at opportunities that are coming up in terms of employing the citizens in San Francisco. The Agency has a unique opportunity to be in partnership with the South Beach Yacht club to ensure children in the southeastern sector of the City are introduced into the sport early on so their knowledge will be of benefit to them when the $1B+ comes to San Francisco.
- Commissioner Covington did a walk through concerning the Target sign that will be going up at the Metreon and stated it was looking very good. Her only request was that the sign be able to be dimmed easily so as to not inconvenience people who are at the hotel across the street.
- Commissioner King stated there were 400 people in attendance at the Westbay Conference Center for the yearly Labor breakfast. In attendance were Mayor Lee, all the Board of Supervisors, a host of City Officials, and people from the community, along with youth from various areas in the City who spoke in honor of Martin Luther King, and what he meant to them. Mr. King stated there was a lot of support for the Redevelopment and what Redevelopment Agency means to San Francisco and will make sure the Agency stays. After the Labor breakfast, Mr. King and others attended the Martin Luther King Day celebration at the Yerba Buena Center where they honored Dr. Amos Brown for his lifetime achievements and made one of the best speeches of what Martin Luther King meant to him. Mr. King stated that if it wasn't for Martin Luther King, no one would be present today.

10. Closed Session: Pursuant to Section 54956.9 (a), conference with legal counsel regarding existing litigation, Arc Ecology v. San Francisco Redevelopment Agency, No. C10-05523 (N.D. Cal. complaint filed Dec. 8, 2010)

11. ADJOURNMENT:

It was moved by Commissioner Singh, seconded by Commissioner Bustos, and unanimously carried that the meeting be adjourned at 8:15 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

JUNE 7, 2011

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 1st DAY FEBRUARY OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 1st day of February 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Miguel M. Bustos
Francee Covington
Leroy King

The following Commissioner(s) were absent:

Agnes Briones-Ubalde

Fred Blackwell, Executive Director, and staff members were also present.

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2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS. None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA:

(a) Authorizing execution of a 9-year License Agreement with the City and County of San Francisco, a municipal corporation, acting by and through its Municipal Transportation Agency ("SFMTA") for long-term access to repair, maintain, and remove a monitoring system, as part of SFMTA's Central Subway extension project, on a portion of the Agency's Yerba Buena Center Central Block Three property fronting Fourth Street. (Resolution No. 6-2011)

(b) Authorizing a First Amendment to the Personal Services Contract with L. Luster & Associates, a California corporation, to increase the Contract amount by $78,131, for a total aggregate amount not to exceed $203,131, for consultant services to inform the Agency's efforts to establish a construction workforce policy and authorizing a Memorandum of Understanding with the San Francisco International Airport to provide partial funding for the Contract; All Redevelopment Project Areas. (Resolution No. 7-2011)

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 6-2011, AUTHORIZING EXECUTION OF A 9-YEAR LICENSE AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO, A MUNICIPAL CORPORATION, ACTING BY AND THROUGH ITS MUNICIPAL TRANSPORTATION AGENCY ("SFMTA") FOR LONG-TERM ACCESS TO REPAIR, MAINTAIN, AND REMOVE A MONITORING SYSTEM, AS PART OF SFMTA'S CENTRAL SUBWAY EXTENSION PROJECT, ON A PORTION OF THE AGENCY'S YERBA BUENA CENTER CENTRAL BLOCK THREE PROPERTY FRONTING FOURTH STREET, AND RESOLUTION NO. 7-2011, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH L. LUSTER & ASSOCIATES, A CALIFORNIA CORPORATION, TO INCREASE THE CONTRACT AMOUNT BY $78,131, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $203,131, FOR CONSULTANT SERVICES TO INFORM THE AGENCY'S EFFORTS TO ESTABLISH A CONSTRUCTION WORKFORCE POLICY AND AUTHORIZING A MEMORANDUM OF UNDERSTANDING WITH THE SAN FRANCISCO INTERNATIONAL AIRPORT TO PROVIDE PARTIAL FUNDING FOR THE CONTRACT; ALL REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

REGULAR AGENDA

(c) Authorizing the establishment of a panel of real estate economics consulting firms to provide advisory services on an as-needed basis for a three-year term in an aggregate amount not to exceed $800,000, including $500,000 for the Hunters Point Shipyard, subject to the availability of funds; All Redevelopment Project and Survey Areas. (Resolution No. 8-2011)

Presenter: Catherine Maher, Agency Staff

Speakers: Ace Washington

Vice President Singh put forth a motion to move item 4(c).

Commissioner Bustos seconded Mr. Singh's motion.

Commissioner Covington asked which firms are WBE's or MBE's, and what the gross receipt was for an SBE.

Mr. Villacarlos stated for Agency certification purposes, the gross receipt for an SBE professional services firm is $2M. Mr. Villacarlos stated the certified firms are Seifel Consulting-WBE, Conley Consulting-WBE/MBE, also several subconsultants for the various selected primes are MBE and/or WBE, such as the following: Al Williams-MBE; Saylor Consulting-WBE; Barcelon & Jang-M/WBE.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 8-2011, AUTHORIZING THE ESTABLISHMENT OF A PANEL OF REAL ESTATE ECONOMICS CONSULTING FIRMS TO PROVIDE ADVISORY SERVICES ON AN AS-NEEDED BASIS FOR A THREE-YEAR TERM IN AN AGGREGATE AMOUNT NOT TO EXCEED $800,000, INCLUDING $500,000 FOR THE HUNTERS POINT SHIPYARD, SUBJECT TO THE AVAILABILITY OF FUNDS; ALL REDEVELOPMENT PROJECT AND SURVEY AREAS, BE ADOPTED.

(d) Authorizing a Personal Services Contract with ADR Continental Group, a California Limited Liability corporation in association with, Katz & Associates, a Nevada corporation, for an amount not to exceed $99,860, for a nine-month term to develop a strategic communications plan and an implementation plan for the Agency; Agency wide Project and Survey Areas. (Resolution No. 9-2011)

Presenter: Gaynell Armstrong-McCurn

Speakers: None

Vice President Singh put forth a motion to move item 4(d).

Commissioner Covington stated she had been lobbying for quite some time to have a public relations arm for the Agency, and expressed her disappointment that it has taken three years to issue an RFP. Ms. Covington expressed her appreciation to the communities at large for their goodwill and support of the Agency, in particular with the recent proposal by the Governor. She stated if the Agency's good works were not known; the Agency would be in a lot of trouble. Ms. Covington stated the Agency does an incredible amount of work and is one of the prime economic engines for the City and County of San Francisco; the Agency should let people know what the Agency does. Ms. Covington asked what the next steps are.

Ms. McCurn stated the next step is to schedule a meeting with Director Blackwell to discuss how to proceed in light of the current proposal by the Governor.

Ms. Covington asked what projects the team would be responsible for over the nine-month period.

Ms. McCurn stated that the team would be working on the various project areas and programs such as the Job Readiness Initiative, and the Housing Readiness Initiative. In addition, Mr. Blackwell will have special project assignments.

Director Blackwell stated the Scope of Work was put together prior to the introduction of the Governor's proposal, and indicated one of the first steps would be to come up with strategies related to immediate communications such as press releases highlighting the Agency's good work in the area of jobs, housing, infrastructure and the like. Secondly, start getting the word out immediately to educate not only the State Legislators about what the Agency is currently working on, but also educating the public's knowledge about the Agency's work. Mr. Blackwell stated the Governor's proposal is going to be considered intensely over the next few months, and the immediate work is to respond to that in making sure the word gets out about the Agency's work.

Commissioner Covington stated she agreed with the re-ordering of priorities but also cautioned about the scope of activity over a very short period with limited funds. Ms. Covington asked that the team focus on key issues and to make sure they look back on the Agency's successes such as the Yerba Buena Center.

Commissioner Covington seconded Mr. Singh's motion.

Commissioner Anaya thanked Director Blackwell and staff for the tour of the redevelopment project areas and was amazed at the work the Agency is currently working on, and work that has been completed. She believes the approval of the Public Relations firm is important to the Agency since she does not believe the public is fully aware of projects completed by the Agency, and in particular, how much the Agency has done over the years. Ms. Anaya expressed her support for the item.

President Swig stated Ms. Covington was far too humble to say that she has been quietly working behind the scenes; she has been very much up front and a leader on this subject. He reiterate in Ms. Covington's comment that it is very important for the public to know what development is going on, not just the people in the neighborhoods directly affected by the efforts of the Redevelopment Agency, but also the city constituency at large. Mr. Swig stated it is very important to tell the story of Redevelopment since his current visits to Sacramento with Mr. Blackwell showed there was a lack of understanding of the impact of Redevelopment and all of its activities, and how much Redevelopment contributes to the communities. Mr. Swig stated that the outreach is both important to the public and government constituencies, and further allows the Agency to be more transparent by telling the public exactly what the Agency does so misconceptions do not arise and people will be comfortable that funds are being spent for very constructive activities and projects.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT (RESOLUTION NO. 9-2011, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH ADR CONTINENTAL GROUP, A CALIFORNIA LIMITED LIABILITY CORPORATION IN ASSOCIATION WITH, KATZ & ASSOCIATES, A NEVADA CORPORATION, FOR AN AMOUNT NOT TO EXCEED $99,860, FOR A NINE-MONTH TERM TO DEVELOP A STRATEGIC COMMUNICATIONS PLAN AND AN IMPLEMENTATION PLAN FOR THE AGENCY; AGENCY WIDE PROJECT AND SURVEY AREAS, BE ADOPTED.

5. MATTERS NOT APPEARING ON AGENDA: None

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.

Tessie Ester, Leaotis Martin, Oscar James, Deborah Muise, Espanola Jackson

7. REPORT OF THE PRESIDENT:

- President Swig reported the most important focus is the awareness with all the press that has been in the newspapers, radio, and talk shows about the demise of the Redevelopment Agency, which is still conjecture, and no legislation has yet been considered. Budget Committee meetings will be held and chaired by Senator Leno in Sacramento, and will possibly is the first time the issue will be considered and discussed. Mr. Swig indicated that Mr. Blackwell would go into more detail in his report.

- Mr. Swig thanked Ms. Tessie Ester who spoke earlier, and expressed his appreciation for her patience. Mr. Swig expressed his concern about territorial issues, which he is well aware of, and is aware that the Agency is well intentioned in providing training necessary to enable the youth to get jobs. He asked Director Blackwell what he might suggest to find the right place to make it safe to hold training for the youth.
    - Director Blackwell stated he would follow up on the workforce development strategy with the Agency's partners, OEWD, and City Build.
- President Swig asked if Mr. Oscar James would volunteer to provide Director Blackwell with any direction necessary, as he has done in the past, on this issue.
    - Mr. James agreed he would provide his guidance on the matter.

8. REPORT OF THE EXECUTIVE DIRECTOR:

Director Blackwell reported the next steps on the Budget are hearings in Sacramento on Feb. 3rd at 9:30 a.m. with the Senate, and Feb. 7th at 1:00 p.m. with the Assembly which, it is his understanding, may be the only hearings on the Redevelopment issue. Mr. Blackwell encouraged all who have an opinion one way or another to attend those hearings.

Director Blackwell reported 9 of the 10 Mayors from the ten largest Cities met with the Governor, and their message was two-fold; (1) they oppose the abolishment of Redevelopment; (2) they would like to be at the table to discuss alternatives to the Governor's proposal or other types of concessions. The Governor agreed to pull together a working group with staff from the ten largest cities. The first meeting was held the previous Friday; San Francisco was represented by Director Blackwell and Nancy Kirshner-Rodriguez, Director of Government Affairs from the Mayor's office. The focus of the first meeting was to get a grasp on three parts of the Governor's proposal before getting into discussions about alternatives.

The first was to get a better understanding on how the Governor's staff came up with the $1.7B figure which has been proposed to be redirected to the State's General Fund in the first year of the Governor's proposal. The second item was to get more clarity on their thinking on what existing obligations and commitments would look like, and the last was what they were envisioning the roles, responsibilities, and authority would be of successor entities, which is what the Governor is calling for to be put into place if Agency's are abolished on July 1st. On the first point, the Governor's proposal suggested $1.7B would be available to be redirected to the State's general fund. The number is derived from the State controllers report that was issued based on fiscal year '07/'08 records of existing financial commitments from Redevelopment Agencies statewide. It would take the amount of tax increment statewide and subtracts the obligations that were on the books in '07/'08 and once that is subtracted, that is how the $1.7B is derived. Director Blackwell stated that number is different now than it was in '07/'08; many of the agencies across the State have experienced decreases in assess values since that point which was right before the financial collapse in the State, and there have been commitments that have been made since '07/'08. He stated that those present at the meeting felt that the $1.7B amount is an inflated estimate of what would actually be available. Secondly, the Governor's staff was straightforward about what an existing obligation would be and what they would be using; the statutory definition of existing contracts. In addition to debt that has already been issued, contracts that are in place such as disposition and development agreements would be existing commitments, which covers quite a bit, of what the Agency is currently working on. Lastly, on the successor entities, it was explained that they are not visioned as much more than check writing entities that would be able to service existing debt. There was not much acknowledgement that administrative support would not be needed to carry out existing obligations moving forward, nor much thinking seemed to have done about what you would do with existing assets.

Director Blackwell indicated that in San Francisco as an example, there is in excess of 10,000 units of affordable housing that is asset managed, as well as review income eligibility, and there is very little recognition from the State that that type of activity they envision successor entities doing which not only calls into question how future affordable housing would be financed, but also calls in the question of how the affordable housing the Agency has been producing for many decades would be tended to.

Director Blackwell stated in terms of the next steps, a follow-up meeting is in the process of being scheduled with the staff of the Big Ten cities. At the State level, they have been educating the Assembly and Senators on the activities occurring about Redevelopment locally and what is at stake in San Francisco. Director Blackwell indicated that concurrently, the Board of Supervisors are considering a resolution being introduced by Supervisor Cohen opposing the elimination of Redevelopment as well as calling for the Governor to work with local jurisdictions on other solutions. Director Blackwell stated, as President Swig pointed out, specific language has not been introduced which was to have been introduced the day prior, but has not been forthcoming which calls in the question what will be discussed Feb. 3rd.

- ☐ Commissioner Anaya asked Director Blackwell to elaborate in terms of the rush that many Redevelopment Agencies are now involved in and the reason why the San Francisco Redevelopment Agency is not.
    - ♦ Director Blackwell stated when the Governor proposed the new budget, there was a rumor running up and down the State that he would introduce emergency legislation so Agencies would not be able to make new commitments between now and July. After following up with the delegation in Sacramento, the City's lobbyist, as well as other people who were knowledgeable about what was going on in terms of the budget, it became clear it was just a rumor and clear for many representatives in the State that if such emergency legislation were actually introduced that many in Sacramento would view that as putting the cart before the horse since no one has made a decision yet on what they were going to do relative to the Governor's proposal for the elimination of Redevelopment. Director Blackwell stated there were a dozen agencies across the State that rushed to make commitments based on that rumor, and stated some of the documents put together in some of those jurisdictions, and stated he was skeptical as to whether those decisions that were made in those jurisdictions constitute the type of commitments that would stand up to the statutory definitions that he spoke about earlier. Secondly, the Agency has been clear when asked by the media and others if the Agency has projects that have done due diligence and whether they are close to putting together a Disposition and Development Agreement (DDA) or an Owner Participation Agreement (OPA). Staff intends to bring those to the Commission in an expeditious manner, but there is no intent to bring

to the Commission hastily put together resolutions, deals or bad deals based on the rumors that are running up and down the State. He believes the Agency has a strong obligation to make sure the Agency is doing due diligence with taxpayer money and does not believe it is in the Agency's interest to rush prematurely.

- ♦ Director Blackwell stated that he has asked staff to do an inventory of all projects that are in the pipeline and putting them into three categories; (1) those they know will be safe under the statutory definition, (2) those they know sit outside of the definition; and (3) those that are in the middle. The inventory will be used in order to determine what will be brought before the Commission.

☐ Commissioner Covington asked if there was any discussion in the meetings attended by President Swig and Director Blackwell about the San Francisco Redevelopment Agency being both a City and a County, and how that might insulate the Agency.

- ♦ Director Blackwell stated the fact that the San Francisco Redevelopment Agency is a City and County does not insulate the Agency from the Governor's proposal but makes the Agency unique as to how the Agency may respond. The San Francisco Redevelopment Agency is the only agency that does not draw down all the tax increment that is available in any given year. Every other agency in the State looks to see how much tax increment has been generated in their project areas and they draw down all of their tax increment which means that all of that money is being redirected to Redevelopment Agencies away from counties, and this Agency is a situation where the Agency negotiates with the County and as a result leaving substantial sums in the County's general fund, which means if one of the reform ideas is there must be some type of dialogue between counties and local jurisdictions, the Agency is already there. Director Blackwell indicated another thing that makes this Agency unique is that the tax increment the Agency utilizes is a very small portion of the overall property tax revenue that is generated in the City and County of San Francisco. The Agency is only responsible for 3.6% of all property tax generated in the county; there are places where that number is as high as 80%. In addition to the fact that Director Blackwell believes the Agency is programmatically one of the best in the State, the Agency also has a unique financial picture which, in a discussion about reform, puts the Agency in a different place.

☐ Vice President Singh asked for information about the Public Relations firm CRA has hired to fight the Governor's budget proposal.

- ♦ Director Blackwell stated the Public Relations firm would provide strategic advice to CRA. At the last Board meeting, they discussed what the mood was in Sacramento and it appears Republicans in the Legislator are opposing increased revenue proposed by the Governor and in relationship to the cuts, and should it fail, it would increase the number of cuts that would have to be proposed by the Governor. The proposal, with a $25B deficit, half is new revenues to get about $12.5B, and the other half of it is $12.5B in cuts; any type of reduction in revenue would mean more cuts. The Democrats in Sacramento are split in their support for the Governor's budget. As President Swig mentioned, there is a lot of work that is still out in front of the Governor and everyone in Sacramento. The message given to Director Blackwell from the Mayor is while San Francisco opposes the abolishment of Redevelopment, there is a responsibility to work with the State to work on some viable solutions.

☐ Commissioner Singh asked what other Redevelopment Agencies of the ten largest cities have $8B-10B in the pipeline.

- ♦ Director Blackwell stated there are other agencies such as Los Angeles, which is the largest Redevelopment Agency in the State and have more units of affordable housing than San Francisco, that they are trying to manage and they, along with San Jose, Oakland, Fresno, and Sacramento have a variety of projects that they either have recently approved or are on the brink of approving which are critical to their local economies. Director Blackwell stated everyone is deeply concerned about what is being proposed and are poised to fight the elimination of Redevelopment but poised to work with Sacramento on solutions, which is the next step.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

Commissioner Anaya asked how the Agency is monitoring and enforcing local hiring policies, how the small business contractors are being considered and encouraged to work with the Agency, and how the Agency is providing appropriate training programs for the underserved community. Ms. Anaya stated she was very concerned about the comments heard from the speakers earlier, and would like to know the steps the Agency takes to make sure the efforts are carried out.

- ♦ Mr. Stephen Maduli-Williams stated staff has been examining the existing workforce enforcement environment in the project areas. The first area they examined was related to the CBO's who provide some of the training mentioned earlier. They found that due to the lack capacity and funding, many CBO's are not up to the task and have recently been going through a wave of non-performance, which was recently illustrated with a lot of protesting in the jobsites, in particular in the Bayview Hunters area where residents were not getting local jobs. Staff worked on creating a platform to fix problems such as meeting with community groups and individuals seeking employment, and committing Agency dollars in reinvesting in the CBO's groups. Staff worked on putting the CBO's on the path to provide services needed in terms of barrier removal, which was the biggest challenge, which resulted in the creation of the Jobs Recognition Initiative (JRI). Mr. Maduli-Williams stated the Agency would spend money to help people remove barriers, and MOEWD would provide the more advanced training. He believes in this strategy in moving forward in terms of how the Agency invests in its project areas, and in terms of workforce development. In terms of monitoring the activities, two years ago a contract was approved to work with Elations on a software project, which tracks certified payrolls to see who is being employed. Ultimately, to have better data as an Agency to see who is working on the Agency's projects, are goals being met, and how effective is it, they found that there is a two tier approach the Agency has to take to implement a successful local hire policy; (1) be able to have staff that can call developers and contractors if there's a problem, more importantly, they felt it was good to have real time data to show what exactly a contractor is doing at any given moment at the site since historically what they found is when it was done manually by paper, they would find out two to three months later that there's a problem, and by that time the job opportunity was gone or the job was finished. What Elations has allowed them to do was is to have up to date data as to what is happening from a local hiring standpoint. Contractors are partial to the Elations program since it has lowered their costs. This program gives the Agency the ability to have a database of people who have worked on jobs, what jobs they have worked on, and what trade they have worked on. Ideally, what the Agency would like to be in the future is an in-house resume system for people who have worked on Agency jobs so they can go to another contractor and have data on what job they've worked on, the number of hours they've worked, the types of trades they had experience working on, and how much they have gotten paid. Mr. Maduli-Williams stated the 2010 performance in terms of local hire, are roughly 34% across all the project area. The new requirement is 20%, which the Agency is already above that. The reason why the Agency has reached 34% is having the data to show the contractors that they are not meeting the goals, and also having staff in place to go out and talk to the contractors and developers about what the numbers are and staying on them.

- Director Blackwell stated how the Commission can monitor the issue is (1) there is a compliance team at the Agency whose jobs it is to make sure that developers, contractors, and sub-contractors are complying with the Agency policy. When an RFP is let out or work is beginning, there is a meeting with the developers and contractors about what the Agency policy is and to follow up on making sure they comply with Agency policy all the way through; (2) there are two working groups that are off-shoots of the Commission; one is a contracting working group that Commissioner King and Commissioner Singh are members of, community groups such as the Lawyers Committee, Contractors the Agency works with, and others. The group reviews data and if there are policy recommendations that need to come to the Commission, they go to that working group before they come to the Commission. The second Working Group is a Workforce Development Working Group that Commissioner Covington is a member of, along with representatives from the

Building Trades, contractors, advocacy groups on workforce development issues. As with the Working Group, data is shared, ideas on improvements are vetted, and recommendations are discussed before going to the Commission. Director Blackwell suggested Commissioner Anaya join the Working Group given her background from MLVS. Lastly, where the Commission has an opportunity to monitor results in Workforce Development, when a memorandum is brought before the Commission that pertains to new project funding and such, a paragraph is included on workforce development outcomes and results. When items are now brought before the Commission for recommendations, workforce development results are included in the memorandum to give the Commission an opportunity to bring up concerns about specific projects.

Commissioner Anaya indicated the information Mr. Maduli-Williams and Director Blackwell provided her with gave her a better understanding of how workforce is monitored and indicated that she would like to participate in the Working Group. She expressed a tremendous concern when talking about workforce development since they are talking about individuals from underserved communities, education and levels that are very low, yet are expected to be ready in 4-6 months to work, where it is taken six years to go to college to be able to work in their fields. Ms. Anaya stated there seems to be a bit of unfairness that is not well understood and there needs to be more discussion about workforce development, and that it cannot be done in 3-5 months. Ms. Anaya believes there should be more communication on the matter.

Commissioner Bustos stated he was glad to hear that Commissioner Anaya will be joining Commissioner Covington on the Working Group who will bring a lot of value to the group.

Commissioner Bustos stated he attended an event where he had a conversation with representatives from MoAD and they expressed their concern about how MoAD has been working with the Agency. Commissioner Bustos requested a report to the Commission within the next thirty days on the funds that are still in reserve for MoAD. Commissioner Bustos stated he was provided with documents by MoAD and would like to share them with the Commission.

- Director Blackwell stated he was already anticipating in bringing a recommendation to the Commission on MoAD within the next thirty days.

Commissioner Covington stated there seems that there is something that requires some particular notice and attention which is the assertion that $2M was to be going to MoAD for operational and other costs, but only one half million was expended. She stated the immediate question is to have some background in what happened to the other $1.5M and would like that information included in the report.

President Swig stated it would be helpful to include information on how the MoAD building was structured, and what funding was offered in the report for the new Commissioners.

10. CLOSED SESSION: None.

11. ADJOURNMENT:

It was moved by Commissioner Singh, seconded by Commissioner Covington, and unanimously carried that the meeting be adjourned at 5:35 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

FEBRUARY 15, 2011

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 15th DAY OF FEBRUARY OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 15th day of February 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Francee Covington

And the following Commissioners were absent:

Miguel M. Bustos
Leroy King
Agnes Briones-Ubalde

Fred Blackwell, Executive Director, and staff members were also present.

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2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** No Reportable Action.

3. **MATTERS OF UNFINISHED BUSINESS**. None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA:

(a) Approval of Minutes: Regular Meeting of February 1, 2011

Commissioner Covington requested Item 4(a) be pulled from consent.

Speakers: None

Commissioner Covington asked that page 7 be corrected; Commissioner Covington's name should be replaced by Commissioner Anaya's name.

Commissioner Covington put forth a motion to move Item 4(a).

Commissioner Anaya asked that her name be added as being present.

Commissioner Anaya seconded Ms. Covington's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER ANAYA, AND UNANIMOUSLY CARRIED THAT THE MINUTES OF THE REGULAR MEETING OF FEBRUARY 1, 2011, BE ADOPTED.

REGULAR AGENDA

Agenda Items 4(b) and (c) were presented together, but acted on separately

(b) Authorizing an Amended and Restated Tax Increment Loan Agreement with Folsom Essex LLC, a California limited liability corporation, consisting of a previously approved loan in the amount of $3,181,995, new loan funds in the amount of $5,576,646, and new conditional loan funds in the amount of $10,550,000, all in an aggregate amount not to exceed $19,308,641, for the development of approximately 120 units of very low-income supportive rental housing, the Rene Cazenave Apartments, 25 Essex Street, southeast corner of Folsom and Essex Streets, and making environmental findings pursuant to the

. California Environmental Quality Act; Transbay Redevelopment Project Area. (Resolution No. 10-2011)

(c) Authorizing a Housing Opportunities for Persons With AIDS Loan Agreement with Community Housing Partnership, a California nonprofit public benefit corporation, in an amount not to exceed $950,000, for the development of approximately 120 units of very low-income supportive rental housing, the Rene Cazenave Apartments, 25 Essex Street, southeast corner of Folsom and Essex Streets, and making environmental findings pursuant to the California Environmental Quality Act; Transbay Redevelopment Project Area. (Resolution No. 11-2011)

Presenter: Elizabeth Colomello, Development Specialist, Housing

Speaker(s): None

Commissioner Covington asked for clarification on Ms. Colomello's statement that there was an increase essentially from $80,000 per unit to $168,000 per unit.

Ms. Colomello indicated that there would be an increase only if the MHP funds do not become available in time for the project.

Commissioner Covington asked if there would be any way to recoup those funds since it is twice the anticipated cost.

Ms. Colomello stated the only way the funds would be recouped is if another funding source becomes available between now and when construction begins.

Commissioner Covington asked if they would be able to apply for other funding sources.

Ms. Colomello stated it would be unlikely that there would be other funding sources but there is a possibility that MHP would issue their NOFA later this year; one of the reasons they are asking for the conditional approval is because they do not necessarily think it is very likely, and they would like to be able to compete for the 9% tax credits in the first round of this year.

Commissioner Covington asked how many other projects in the pipeline might be affected and impacted by the lack of the MHP funds.

Ms. Oerth stated there is one project, 6600 Third Street that was anticipating to apply for the MHP funds.

Commissioner Covington asked for further information on UCSF being the service provider.

Ms. Colomello stated UCSF is part of the development team who provide intensive wraparound case management services which will be located at the site.

Ms. David Schnur, Director of Housing Development for Community Housing Partnership stated they chose to work with UCSF citywide and to propose the team to the Agency because they believe they have the widest background in providing the type of intensive case management services. They will have roughly 6-7 staff members on site ranging from peer counselors to employment specialists to intensive case managers, as well as services provided directly by DPH providing psychiatric care onsite.

Commissioner Covington asked if the services provided by DPH will be paying the salaries of the 6-7 staff.

Ms. Schnur stated DPH's services budget is completely separate from the development budget and is paid by DPH.

Commissioner Covington asked if there was a timeframe for how long DPH is guaranteeing the resources since she believes the Agency seems to be taking on more and more costs that were initially supported by DPH.

Ms. Colomello indicated it is part of the local operating subsidy program which provides the operating subsidy and services funding to go along with the projects; the City looks at it in nine year increments. Ms. Colomello stated it is included in their forward budget for nine years which goes through their annual budget process.

Commissioner Covington asked what their annual budget was.

Ms. Colomello believes their annual services budget is $600,000 a year.

Commissioner Covington put forth a motion to move item 4(b) and (c).

Commissioner Anaya seconded Ms. Covington's motion.

Commissioner Anaya asked who else was considered to provide case management services and what the process was in selecting the provider.

Ms. Colomello stated a joint RFP was issued between the Agency and DPH; the Agency for development money and the site being provided, and DPH promising services and operating money. Teams were asked to come in with their services provider. There were two applicant teams, one is the team present, and the other was TNDC which were going to provide all services themselves and were not going to partner with a separate services provider; they were going to provide property management and services in-house. The selection panel consisted of Agency staff, DPH staff, and a member of the Transbay CAC, overseen by the Contract Compliance staff. The team selection was approved by the Commission via the Exclusive Negotiations Agreement August 2009, along with the predevelopment loan agreement.

Commissioner Anaya asked if there is a report to the Commission in terms of providing jobs in the community.

Ms. Colomello stated the development is subject to the Agency's policy and has been working with the Agency's Compliance division. Construction has not commenced and construction workforce is not available at this time.

Commissioner Anaya requested that the Commission be provided a report on the projections and jobs that will be created, and depending on the jobs, the workforce development that will be needed.

Commissioner Singh asked if Folsom Essex LLC has worked with the Agency before, and if it was common practice to change the name according to the location of the project.

Ms. Colomello stated Folsom Essex LLC is made up of BRIDGE and CHP which was formed for financing purposes in order to develop the project and get tax credit financing.

President Swig asked for clarification if the $10M was budgeted and scheduled for this year, not an emergency allocation.

Mr. Blackwell stated it is not an emergency allocation but important to note that the action being taken does get the project to the finish line; by making the approval, the Commission is creating an obligation the State would have to recognize.

President Swig asked how was the $10M put into the budget when there was the anticipation that it would be funded by the State.

Mr. Blackwell stated the budget is provided with what the work program will be and budgeted for the ability to cover the worst case scenario, which is the framework where there wouldn't be money in place. When they are able to bring in extra dollars it is helpful to the budget rather than it being the other situation where they don't get anticipated revenues and hurts the budget.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER ANAYA, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 10-2011, AUTHORIZING AN AMENDED AND RESTATED TAX INCREMENT LOAN AGREEMENT WITH FOLSOM ESSEX LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, CONSISTING OF A PREVIOUSLY APPROVED LOAN IN THE AMOUNT OF $3,181,995, NEW LOAN FUNDS IN THE AMOUNT OF $5,576,646, AND NEW CONDITIONAL LOAN FUNDS IN THE AMOUNT OF $10,550,000, ALL IN AN AGGREGATE AMOUNT NOT TO EXCEED $19,308,641, FOR THE DEVELOPMENT OF APPROXIMATELY 120 UNITS OF VERY LOW-INCOME SUPPORTIVE RENTAL HOUSING, THE RENE CAZENAVE APARTMENTS, 25 ESSEX STREET, SOUTHEAST CORNER OF FOLSOM AND ESSEX STREETS, AND MAKING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER ANAYA, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 11-2011, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS LOAN AGREEMENT WITH COMMUNITY HOUSING PARTNERSHIP, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED $950,000, FOR THE DEVELOPMENT OF APPROXIMATELY 120 UNITS OF VERY LOW-INCOME SUPPORTIVE RENTAL HOUSING, THE RENE CAZENAVE APARTMENTS, 25 ESSEX STREET, SOUTHEAST CORNER OF FOLSOM AND ESSEX STREETS, AND MAKING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(d) Authorizing a personal services contract with Overland, Pacific & Cutler, Inc., a California corporation, to provide tenant relocation services and implement a relocation program for tenants requiring relocation at the Hunters Point Shipyard, for a term of one year, with two 1-year extension options to be exercised at the Executive Director's discretion, for a total aggregate amount not to exceed $188,760; Hunters Point Shipyard Redevelopment Project Area. (Resolution No. 12-2011)

Presenter: Thor Kaslofsky, Agency Staff

Speakers: None

Commissioner Singh put forth a motion to move Item 4(d).

Commissioner Covington asked what comes under the heading of relocation benefits.

Mr. Kaslofsky indicated that some relocation benefits include moving costs, business interruption insurance and other such costs.

Commissioner Covington stated those costs were not represented in staffs request.

Mr. Kaslofsky stated until the full assessment is done, they will not know what the relocation benefits will be since they have not yet determined if those services will be part of this contract or if Lennar will provide those services directly since Lennar will be covering those costs.

Commissioner Covington stated under the Scope of Services: (1) Outreach, and (2) Development Relocation Plan, are covered under the monies that are being requested, but (3) Plan Implementation indicates "budget to be determined". Ms. Covington asked if staff will be returning to the Commission for those funds since there is only $24,000 remaining.

Mr. Kaslofsky stated staff will be returning to the Commission requesting for a contract amendment once they have that information.

Commissioner Covington asked when they anticipate returning to the Commission for the amendment.

Mr. Lawson stated the timing is contingent upon the implementation of the Phase 2 project. When Lennar begins developing Parcel B on the Hunters

Point Shipyard, that is when they initiate the process for doing the actual work on relocation. The reason that budget line item is undefined is they because they will not know how many tenants will choose to be relocated. If the artists choose to stay on the Shipyard the cost is much lower and generally higher if they go off the Shipyard, it will be up to the artist. Mr. Lawson indicated the Agency and OPC would provide services to help facilitate their understanding of what was available to them off the Shipyard.

Commissioner Covington asked how many artists are at the Shipyard.

Mr. Lawson stated the significant portion of the artists are retained in Building 101 on the Shipyard, the remainder of those artists could be as many as 220 who would be subject to the relocation obligations. It is not clear at this time because there are sub-tenants in those spaces who also have rights to relocation services. Mr. Lawson stated there are around 150 studios on Parcel B and in addition, some of those artists sublet to other artists who also have rights to relocation services.

Commissioner Covington asked where they are being relocated to.

Mr. Lawson stated they would be relocated to a new building being constructed adjacent to Building 101.

Commissioner Covington asked if the new building would have enough space to house the artists that will be relocated or will there be room for new artists.

Mr. Lawson stated there will be a little extra room for new artists and a possibility that the artists, in reorganizing, may ask for smaller spaces to allow other artists within the building which would increase the total amount of artists, not decrease.

Commissioner Covington stated this is a continuation of the grandfathering of those people who have been at the space for quite some time and asked where the new artists will find space.

Mr. Lawson stated there will be an opportunity for new artists in the new building as well as in Building 813 which is adjacent to Building 101; the Redevelopment Plan allows for the construction of new art studios at market rates with the distinction that the Phase 2 DDA requires that artists' studios are provided at affordable rates.

Commissioner Covington put forth a motion to move Item 4(d).

Commissioner Anaya asked if they had any idea of the minimum or maximum for the budget as far as relocation benefits.

Mr. Wakefield stated the artists are deemed as commercial displacees, which, in the basic benefits package for commercial business can claim the actual reasonable cost of a relocation that includes the cost of moving, the physical cost of hiring movers if they need to relocate to a replacement space, and a cap of up to $10,000 for re-establishment which covers printed materials, permits for the new space, utility connections, and such. The artists can claim a $20,000 in-lieu payment which means they've committed to doing a soft move that would encompass their entire relocation benefit. Mr. Wakefield stated it is hard to pinpoint what the maximum benefit could be since they haven't sat down with any of the artists to get an idea of what their operation is and how complex it is to potentially move them.

Commissioner Anaya asked Mr. Wakefield why, from his experience, with the minimum amount varying from $10,000 - $20,000, does he not know what the maximum amount would be.

Mr. Wakefield stated the minimums with displacements such as these are around $20,000 with maximums possibly being quite large. He does not believe it fair at this time to try to indicate what the maximum benefit could be.

President Swig asked if this was a reimbursable to the developer.

Mr. Kaslofsky stated they are costs accounted for in the Phase 2 DDA, and the community benefits in Phase 2 call for the replacement space which would be over and above the maximum costs for moving; the costs are all 100% covered by the developer.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 12-2011, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH OVERLAND, PACIFIC & CUTLER, INC., A CALIFORNIA CORPORATION, TO PROVIDE TENANT RELOCATION SERVICES AND IMPLEMENT A RELOCATION PROGRAM FOR TENANTS REQUIRING RELOCATION AT THE HUNTERS POINT SHIPYARD, FOR A TERM OF ONE YEAR, WITH TWO 1-YEAR EXTENSION OPTIONS TO BE EXERCISED AT THE EXECUTIVE DIRECTOR'S DISCRETION, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $188,760; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA: None

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.

Shamann Walton, Tessie Ester, Leaotis Martin, Oscar James

7. REPORT OF THE PRESIDENT: None

8. REPORT OF THE EXECUTIVE DIRECTOR:

(a) Update on Governor's Proposal to Dissolve Redevelopment Agencies

Mr. Blackwell stated the Governor's proposal has still not been turned into enacting legislation and we have not yet seen language that legislators will consider in order to implement the Governor's proposal. Since the last meeting there have been quite a few meetings; one which was a hearing last week at the State Assembly Budget Committee, another hearing held at the Senate Budget Committee, and a third informational hearing for the Governance and Oversight Committee which had presentations from the Governor's staff, from John Shirey, Executive Director of the California Redevelopment Association, and a report prior to that hearing on the specifics on how Redevelopment Agency's and Tax Increment Financing works, and a set of questions the Legislators should consider in looking at the Governor's proposal. Mr. Blackwell indicated that a meeting was being held this date at the Transportation and Housing Sub-Committee that Deputy Executive Director Olson Lee testifying since it focuses on housing. Mr. Lee will be testifying about the Agency's work on affordable housing both from a policy perspective and a practical project oriented perspective. Mr. Lee will be highlighting what the Agency does from a policy point of view in terms of the Agency's commitment to affordable housing since it is being held up as one of the models of how tax increment can support the production of affordable housing. Mr. Blackwell stated there is a flurry of work being conducted by the Big Ten City Mayor's, both at the staff level and at the Mayoral level. What is being considered are alternative strategies; (1) a set of strategies that gets money to the State immediately to help fix its financial problem which is a \$25B deficit; (2) discussion on how more money can be directed to the schools on a long term basis through the pass throughs that Agency's do to local taxing entities; (3) programmatically oriented reforms to strengthen how tax increment is used throughout the State which would fall into two categories – (i) how the money that is set aside for affordable housing can be used more effectively and efficiently; (ii) how Redevelopment Agencies can work more effectively towards implementation of some of the State's initiatives, such as SB375 which is the reduction of greenhouse gas emissions and promoting transit oriented infill development as opposed to infrastructure expansion within the State. Mr. Blackwell stated the Big Ten City Mayor's will be looking at an alternative proposal that may be offered, and expects a lot of discussion across jurisdictions on the alternative proposal since he believes it will be difficult to find a solution amongst ten cities, much less the 400 Agencies throughout the State. Mr. Blackwell stated the financial element will be a little easier than the programmatic reforms since everyone uses tax increment in widely different ways, and that it is difficult to build consensus on one set of programmatic reform. Mr. Blackwell expressed his appreciation of Agency staff who has been working very hard on creative solutions and alternatives and reform proposals.

President Swig stated they always feel proud of Agency staff.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

- Commissioner Covington stated there was a ground breaking for the Mary Helen Rogers Senior Campus, and would like, for the benefit of the radio listening audience asked Director Blackwell for more information on the project and how people can apply for entrance.
    - Director Blackwell stated the Mary Helen Rogers development, expected to open in two years, is located at the corner of Franklin and Golden Gate which will be an L-shaped development containing 100 affordable senior housing units, a partnership with the Chinatown Development Corporation and EM Johnson. Outreach will be conducted through KPOO and the ethnic press, as well as mail notification to all Certificate of Preference holders. Director Blackwell asked those interested to contact the Chinatown Community Development Corp.

10. CLOSED SESSION: None.

11. ADJOURNMENT:

It was moved by Commissioner Covington, seconded by Commissioner King, and unanimously carried that the meeting be adjourned at 5:16 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTION:

MAY 17, 2011

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 1st DAY MARCH OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 1ST day of March 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Miguel M. Bustos
Francee Covington
Leroy King

And the following were absent:

Agnes Briones Ubalde

Fred Blackwell, Executive Director, and staff members were also present.

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2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS. None.

4. MATTERS OF NEW BUSINESS:

President Swig requested to change the order of the agenda to accommodate one of the issues with one of the presenters, and move Agenda Item 4(k) to be the first item heard after the Financing Authority meeting.

Vice President Singh put forth a motion to move Item 4(k) as requested by President Swig.

Commissioner Covington stated that she had requested the item be on the agenda due to numerous emails and calls she received regarding the item, and does not believe the people directly impacted by this item were present. Ms. Covington suggested the item be continued in order to be fair to the public since no one was given advance warning that the item would be moved.

Director Blackwell recommended the item be continued if the item could not be moved up due to the fact that the presenter from the Mayor's Office has a family emergency and needs to leave the meeting by 5:30. Mr. Blackwell indicated if the item cannot be moved up that it be continued.

Commissioner Singh withdrew his motion.

Commission Covington made a motion to move Item 4(k) as the first item on the next regularly scheduled Commission meeting.

Commissioner Bustos seconded Ms. Covington's motion. Commissioner Bustos stated to those present, and to the listening audience, that staff make it a practice should something like this happen again, that they be notified ahead of time since, when possible. He stated there are a lot of people who have an interest in this item from the community, and it would not be fair that they now will have to rearrange their schedules as well make adjustments. Mr. Bustos stated that it was important to consider the community on matters appearing on the agenda and should be notified in advance, not at the meeting, since they plan their arrival time according to when the item will be heard.

President Swig indicated that unfortunately family emergencies happen and are sorry to those who have scheduled their time, but family emergencies do happen. For the radio listening audience, Mr. Swig indicated that Item 4(k) is the Workshop update on the implementation phase of a Letter Agreement with the Office of Economic and Workforce Development to administer marketing and economic development programs on the Fillmore Commercial corridor between Post and McAllister Streets for a period of 2 – 3 years for an amount not to exceed $800,000. Mr. Swig apologized to those who may be coming and now have to wait two weeks, and understands this is a very important item.

Speakers: None

MOTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED THAT THE WORKSHOP/UPDATE ON THE IMPLEMENTATION PHASE OF THE LETTER AGREEMENT WITH THE OFFICE OF ECONOMIC & WORKFORCE DEVELOPMENT TO ADMINISTER MARKETING AND ECONOMIC DEVELOPMENT PROGRAMS ON THE FILLMORE COMMERCIAL CORRIDOR (BETWEEN POST AND MCALLISTER STREETS) FOR A PERIOD OF TWO – THREE YEARS; FOR AN AMOUNT NOT TO EXCEED $800,000, BE CONTINUED TO THE NEXT REGULARLY SCHEDULED MEETING AS THE FIRST ITEM.

CONSENT AGENDA

(a) Authorizing the Executive Director to submit a Transportation Infrastructure Finance and Innovation Act loan application to the United States Department of Transportation for transportation improvements associated with the Hunters Point Shipyard Phase 2/Candlestick Point Project in the amount of approximately $120,000,000 to be repaid as a reimbursable cost of the project, and adopting environmental findings pursuant to the California Environmental Quality Act; Hunters Point Shipyard and Bayview Hunters Point Redevelopment Project Areas. (Resolution No. 13-2011)

(b) Authorizing a Second Amendment to the Ground Lease with MHRSC, L.P., a California Limited Partnership, to modify the schedule of performance, and to modify the distribution of surplus cash, for the development of Mary Helen Rogers Senior Community, 100 units of very low-income senior rental housing on Central Freeway Parcel C, Southwest corner of Golden Gate Avenue and Franklin Street; Citywide Tax Increment Housing Program. (Resolution No. 14-2011)

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 13-2011, AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT A TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT LOAN APPLICATION TO THE UNITED STATES DEPARTMENT OF TRANSPORTATION FOR TRANSPORTATION IMPROVEMENTS ASSOCIATED WITH THE HUNTERS POINT SHIPYARD PHASE 2/CANDLESTICK POINT PROJECT IN THE AMOUNT OF

APPROXIMATELY $120,000,000 TO BE REPAID AS A REIMBURSABLE COST OF THE PROJECT, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; HUNTERS POINT SHIPYARD AND BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREAS, AND RESOLUTION NO. 14-2011, AUTHORIZING A SECOND AMENDMENT TO THE GROUND LEASE WITH MHRSC, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO MODIFY THE SCHEDULE OF PERFORMANCE, AND TO MODIFY THE DISTRIBUTION OF SURPLUS CASH, FOR THE DEVELOPMENT OF MARY HELEN ROGERS SENIOR COMMUNITY, 100 UNITS OF VERY LOW-INCOME SENIOR RENTAL HOUSING ON CENTRAL FREEWAY PARCEL C, SOUTHWEST CORNER OF GOLDEN GATE AVENUE AND FRANKLIN STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

Before the regular agenda items were considered, the Redevelopment Agency Commission recessed to consider items on the Financing Authority Agenda, after which the Redevelopment Agency Commission reconvened to consider the remaining agenda.

Vice President Singh put forth a motion to recess the Agency Commission meeting and call to order the Financing Authority Meeting.

Commissioner Bustos seconded Mr. Singh's motion.

Financing Authority Chair Swig called the meeting to order.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Miguel M. Bustos
Francee Covington
Leroy King

And the following were absent:

Agnes Briones Ubalde

Fred Blackwell, Executive Director, and staff members were also present.

(2) Approval of Minutes - None

(3) Reports - None

(4) Unfinished business

(5) New business:

Agenda items 5(a) – (d) were presented together, but acted on separately

Presenters: Amy Lee, John Daigle, Agency Staff

(a) Authorizing the issuance of 2011 Series A taxable tax allocation revenue bonds (San Francisco Redevelopment Projects) in an initial aggregate principal amount not to exceed $44,000,000; approving forms of an indenture of trust, loan agreements, official statement and bond purchase contract; authorizing the negotiated sale of the bonds, and authorizing and approving other matters properly relating thereto (Bayview Hunters Point Redevelopment Project Area – Project Area B, Mission Bay North Project Area, Mission Bay South Project Area, South Of Market Redevelopment Project Area, and Transbay Redevelopment Project Area, and the former Embarcadero-Lower Market (Golden Gateway) Approved Redevelopment Project Area E-1, the former Hunters Point Redevelopment Project Area, the former India Basin and the former Western Addition Redevelopment Project Area A-2). (Resolution No. 1-2011)

(b) Authorizing the issuance of the 2011 Series B tax allocation revenue bonds (San Francisco Redevelopment Projects) in an initial aggregate principal amount not to exceed $19,000,000; approving forms of an indenture of trust, loan agreements, official statement and bond purchase contract; authorizing the negotiated sale of the bonds, and authorizing and approving other matters properly relating thereto (Bayview Hunters Point Redevelopment Project Area – Project Area B, South Of Market Redevelopment Project Area, and Transbay Redevelopment Project Area). (Resolution No. 2-2011)

(c) Authorizing the issuance of the 2011 Series C tax allocation revenue bonds (Mission Bay North Redevelopment Project) in an initial aggregate principal amount not to exceed $10,000,000; approving forms of indenture of trust, loan agreement, official statement and bond purchase contract, authorizing the negotiated sale of the bonds, and authorizing and approving other matters properly relating thereto (Mission Bay North Project Area). (Resolution No. 3-2011)

(d) Authorizing the issuance of the 2011 Series D tax allocation revenue bonds (Mission Bay South Redevelopment Project) in an initial aggregate principal amount not to exceed $45,000,000; approving forms of indenture of trust, loan agreement, official statement and bond purchase contract, authorizing the negotiated sale of the bonds, and authorizing and approving other matters properly relating thereto (Mission Bay South Project Area). (Resolution No. 4-2011)

Speakers: None

Commissioner Bustos put forth a motion to move items 5(a) – (d).

Vice President Singh seconded Mr. Bustos' motion.

Vice President Singh asked if the Commission is able to purchase these bonds.

General Counsel Morales stated it would create a potential for a conflict and stated he would look into it more carefully as they go forward in the transaction, but advised against it at this point.

President Swig stated he read the commentary that the interest rates have gone up slightly versus what was in the documents stating 100-150 base points higher than what is represented in the document.

Mr. Daigle stated that was correct.

President Swig stated that it sends a message of high risk because the interest base is higher. He asked what the market reality is on a 9-10% interest rate on the taxable, and also the tax free which he indicated was still too high. Mr. Swig asked what are the risks and rewards.

Mr. McCarley stated there are very few other types of transactions in the market and a number of Redevelopment specific transactions that are coming to the market, therefore, investors are going to request a higher yield because of that as well and with a limited buyer base, that is what pushes up the respective yields on the transaction.

President Swig asked if these were additional loans; the loans might be at least 300-400 bases points lower than a bond.

Mr. McCarley stated that was correct; if you were looking at a more traditional propagation, such as a PUC transaction, they would be talking about less than 6%.

Ms. Lee stated the items before the Commission has a "do not exceed 11% authority", so should the market be higher than 11%, the Commission is not granting the authority for staff to do so. In talking to the Director, given what is happening with the State and the proposals and spend downs restrictions on the money, she indicated that they will not likely go to market if the rates are higher since they will not have the time and will not go to the market to go before the Commission for additional authority for anything higher than 11%. Ms. Lee indicated that at that point the money will be extremely expensive for the agency given the uncertainty the agency faces now.

President Swig asked if these were all supported by increment.

Ms. Lee stated yes.

President Swig stated that the track record of the San Francisco Redevelopment Agency as he recalls, and the way the business is run, is one of the more conservative ones when it comes to coverage ratio on increment as well as reserves.

Ms. Lee indicated that was correct; there was a 6% increase in overall assess values in San Francisco and in all the debt cover ratios, they required a minimum of 1.25%. The older project area is above 1.25% in some areas such as Transbay, they see a full 300% coverage. Ms. Lee indicated that they present detailed information to credit rating agencies since they know the Agency has solid reserves and the project areas are able to fund the different reserves. The project areas that has the most tax increment can fund the reserves if necessary. Given the economy and what is happening in the market, if it goes higher than 11%, they will not likely issue.

Commissioner Covington asked how the bonding will affect the expired project areas since she sees the Golden Gateway, a sunset of the Yerba Buena, and a sunset in the Western Addition are all mentioned

Ms. Lee stated with the expired project areas they are not able to issue bonds except for what is allowed under the SB2113 amendment which is particular to the San Francisco, where they are able to receive tax increment and incur additional debt for the purposes of housing only. Ms. Lee indicated what is shown in the bond documents related to expired project areas are for housing dollars, just for SB2113 purposes only.

Commissioner Covington asked on what page where it tells us how much money might be used in those areas.

General Counsel Morales asked for clarification of Ms. Covington's question, if she was asking as to where the money might be used or just the money that was coming from the former project area.

Commissioner Covington clarified she was asking for the money since she understands it's only for housing and cannot be used unless there's a parcel available.

Ms. Lee stated she would get back to Ms. Covington with the information.

Commissioner Anaya asked for information about the California Environmental Quality Act. She understands there will be no impact.

General Counsel Morales stated that the Agency considers, as well as the law, considers these actions not to be a project for purposes of environmental review. The use of the money will be considered at a later date after they have received the proceeds, and then obligate the funds for a particular project. At that point they will have CEQA review for the particular project to which the money is going to. Mr. Morales indicated, at this point, this is considered not to be a project but a financing type of activity. The bond documents themselves do not specify particular projects that the money will go to; it's more related to the receipt of the funds and the general purposes for those funds.

Ms. Lee, in answer to Ms. Covington's earlier question of how much money will be used for the expired project areas, in the front section of bonds documents under the preliminary statement on page 6, the list of Series A loan agreement shows the loan amounts; Western Addition, Golden Gateway of 5.265, those are all bonds they will be issuing for expired project areas but will be used for the purpose of housing under SB2113.

Commissioner Covington stated Golden Gateway and the Western Addition are almost 40%.

Ms. Lee stated that is only for the purpose of housing under SB2113 when a project area is expired, they still have additional ability to raise additional bond proceeds to spend for affordable housing only.

Commissioner Covington asked how it shows up in the budgets from year to year during the life of the bond.

Ms. Lee stated it would show in the debt service under each series. Payments are made in the budget and are required to make those debt service payments. It will show in terms expenditure under citywide housing.

Commissioner Covington asked if the $11M is set aside for those areas or can the money be moved around.

Ms. Lee stated it is used for citywide housing, however, it is her understanding that the Commission has made a commitment to spend Western Addition monies in the Western Addition.

Commissioner Covington stated that was her understanding as well. Ms. Covington indicated if the Western Addition is to get 18.9%, she wants to make sure that happens and wants to be able to look at it as they go through the budgeting process as the bond funds come in to make sure they keep their promises.

Ms. Lee stated that would be highlighted in the Housing portion of the budget presentation.

ADOPTION: RESOLUTION NO. 1-2011, AUTHORIZING THE ISSUANCE OF 2011 SERIES A TAXABLE TAX ALLOCATION REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) IN AN INITIAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $44,000,000; APPROVING FORMS OF AN INDENTURE OF TRUST, LOAN AGREEMENTS, OFFICIAL STATEMENT AND BOND PURCHASE CONTRACT; AUTHORIZING THE NEGOTIATED SALE OF THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA – PROJECT AREA B, MISSION BAY NORTH PROJECT AREA, MISSION BAY SOUTH PROJECT AREA, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, AND TRANSBAY REDEVELOPMENT PROJECT

AREA, AND THE FORMER EMBARCADERO-LOWER MARKET (GOLDEN GATEWAY) APPROVED REDEVELOPMENT PROJECT AREA E-1, THE FORMER HUNTERS POINT REDEVELOPMENT PROJECT AREA, THE FORMER INDIA BASIN AND THE FORMER WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2), RESOLUTION NO. 2, 2011, AUTHORIZING THE ISSUANCE OF THE 2011 SERIES B TAX ALLOCATION REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) IN AN INITIAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $19,000,000; APPROVING FORMS OF AN INDENTURE OF TRUST, LOAN AGREEMENTS, OFFICIAL STATEMENT AND BOND PURCHASE CONTRACT; AUTHORIZING THE NEGOTIATED SALE OF THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA – PROJECT AREA B, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, AND TRANSBAY REDEVELOPMENT PROJECT AREA), RESOLUTION NO. 3-2011, AUTHORIZING THE ISSUANCE OF THE 2011 SERIES C TAX ALLOCATION REVENUE BONDS (MISSION BAY NORTH REDEVELOPMENT PROJECT) IN AN INITIAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $10,000,000; APPROVING FORMS OF INDENTURE OF TRUST, LOAN AGREEMENT, OFFICIAL STATEMENT AND BOND PURCHASE CONTRACT, AUTHORIZING THE NEGOTIATED SALE OF THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (MISSION BAY NORTH PROJECT AREA), AND RESOLUTION NO. 4-2011, AUTHORIZING THE ISSUANCE OF THE 2011 SERIES D TAX ALLOCATION REVENUE BONDS (MISSION BAY SOUTH REDEVELOPMENT PROJECT) IN AN INITIAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $45,000,000: APPROVING FORMS OF INDENTURE OF TRUST, LOAN AGREEMENT, OFFICIAL STATEMENT AND BOND PURCHASE CONTRACT, AUTHORIZING THE NEGOTIATED SALE OF THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (MISSION BAY SOUTH PROJECT AREA), BE ADOPTED.

(6) Persons wishing to address the Authority on non-agenda but authority related matters: None

(7) Closed session matters - None

(8) Adjournment

Commissioner Covington put forth a motion to adjourn the Financing Authority meeting.

Vice Chair Singh seconded Ms. Covington's motion.

President Swig called the Redevelopment Agency Commission meeting to order

Agenda items 4(c) – 4(g) were presented together, but acted on separately

4(c) Approving an amendment to the budget of the Redevelopment Agency of the City and County of San Francisco for Fiscal Year 2010-2011 to increase the Agency's receipt of revenue, including additional bond proceeds, and to increase its expenditure authority in an additional aggregate amount not to exceed $75.44 million; and to amend the Agency's Fiscal Year 2010-2011 statement of indebtedness to conform to the changes in the budget. (Resolution No. 15-2011)

4(d) Authorizing the execution of Loan Agreements in an aggregate principal amount of not to exceed $44,000,000 relating to the issuance of 2011 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects) by the City and County of San Francisco Redevelopment Financing Authority; approving the final official statement and bond purchase contract relating to the bonds, and authorizing and approving other matters properly relating thereto (Bayview Hunters Point Redevelopment Project Area – Project Area B, Mission Bay North Redevelopment Project Area, Mission Bay South Redevelopment Project Area, South of Market Redevelopment Project Area and Transbay Redevelopment Project Area, and the former Embarcadero-Lower Market (Golden Gateway) Approved Redevelopment Project Area E-1, the former Hunters Point Redevelopment Project Area, the former India Basin Industrial Park Redevelopment Project Area and the former Western Addition Redevelopment Project Area A-2). (Resolution No. 16-2011)

4(e) Authorizing the execution of Loan Agreements in an aggregate principal amount of not to exceed $19,000,000 relating to the issuance of the 2011 Series B Tax allocation revenue bonds (San Francisco Redevelopment Projects) by the City and County of San Francisco Redevelopment Financing Authority; approving the final official statement and bond purchase contract relating to the bonds, and authorizing and approving other matters properly relating thereto (Bayview Hunters Point Redevelopment Project Area – Project Area B, South of Market Redevelopment Project Area and Transbay Redevelopment Project Area). (Resolution No. 17-2011)

4(f) Authorizing the Execution of a loan agreement in an aggregate principal amount of not to exceed $35,000,000 relating to the issuance of 2011 Series C Tax Allocation Revenue Bonds (Mission Bay North Redevelopment Project) by the City and County of San Francisco Redevelopment Financing Authority; approving the final official statement and bond purchase contract relating to the bonds, and authorizing and approving other matters properly relating thereto (Mission Bay North Redevelopment Project Area). (Resolution No. 18-2011)

4(g) Authorizing the execution of a loan agreement in an aggregate principal amount of not to exceed $45,000,000 relating to the issuance of 2011 Series D Tax Allocation Revenue Bonds (Mission Bay South Redevelopment Project) by the City and County of San Francisco Redevelopment Financing Authority; approving the final official statement and bond purchase contract relating to the bonds, and authorizing and approving other matters properly relating thereto (Mission Bay South Redevelopment Project Area). (Resolution No. 19-2011)

Presenters: Amy Lee, John Daigle, Agency Staff

Speakers: None

Amy Lee clarified the correct amount of $75.44 million; the resolution states $81.44 million which double counted the $6 million CRAF payment that needs to be paid which previously received authority in the budget approved for fiscal year 10/11.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER ANAYA, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 15-2011, APPROVING AN AMENDMENT TO THE BUDGET OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO FOR FISCAL YEAR 2010-2011 TO INCREASE THE AGENCY'S RECEIPT OF REVENUE, INCLUDING ADDITIONAL BOND PROCEEDS, AND TO INCREASE ITS EXPENDITURE AUTHORITY IN AN ADDITIONAL AGGREGATE AMOUNT NOT TO EXCEED $75.44 MILLION; AND TO AMEND THE AGENCY'S FISCAL YEAR 2010-2011 STATEMENT OF INDEBTEDNESS TO CONFORM TO THE CHANGES IN THE BUDGET, RESOLUTION NO. 16-2011, AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $44,000,000 RELATING TO THE ISSUANCE OF 2011 SERIES A TAXABLE TAX ALLOCATION REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY; APPROVING THE FINAL OFFICIAL STATEMENT AND BOND PURCHASE CONTRACT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY

RELATING THERETO (BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA – PROJECT AREA B, MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA AND TRANSBAY REDEVELOPMENT PROJECT AREA, AND THE FORMER EMBARCADERO-LOWER MARKET (GOLDEN GATEWAY) APPROVED REDEVELOPMENT PROJECT AREA E-1, THE FORMER HUNTERS POINT REDEVELOPMENT PROJECT AREA, THE FORMER INDIA BASIN INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA AND THE FORMER WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2), RESOLUTION NO. 17-2011, AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $19,000,000 RELATING TO THE ISSUANCE OF THE 2011 SERIES B TAX ALLOCATION REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY; APPROVING THE FINAL OFFICIAL STATEMENT AND BOND PURCHASE CONTRACT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA – PROJECT AREA B, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA AND TRANSBAY REDEVELOPMENT PROJECT AREA), RESOLUTION NO. 18-2011, AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $35,000,000 RELATING TO THE ISSUANCE OF 2011 SERIES C TAX ALLOCATION REVENUE BONDS (MISSION BAY NORTH REDEVELOPMENT PROJECT) BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY; APPROVING THE FINAL OFFICIAL STATEMENT AND BOND PURCHASE CONTRACT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (MISSION BAY NORTH REDEVELOPMENT PROJECT AREA), RESOLUTION NO. 19-2011, AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED $45,000,000 RELATING TO THE ISSUANCE OF 2011 SERIES D TAX ALLOCATION REVENUE BONDS (MISSION BAY SOUTH REDEVELOPMENT PROJECT) BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY; APPROVING THE FINAL OFFICIAL STATEMENT AND BOND PURCHASE CONTRACT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS

PROPERLY RELATING THERETO (MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA), BE ADOPTED.

(h) Authorizing A Letter Agreement with the Office Of Economic and Workforce Development, in an Amount not to Exceed $500,000, for providing grants and the Administration of a Façade and Tenant Improvement Program for the Third Street Commercial Corridor as part of the larger Citywide SF Shines Façade Improvement Program, from March 1, 2011 to March 1, 2012; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 20-2011)

Presenter: Licinia McMorrow, Assistant Project Manager

Speakers: Oscar James, LaShon Walker, Angelo King, Al Norman

Commissioner Covington put forth a motion to move item 4(h).

Commissioner Bustos stated he was in support of the project and asked that they take note of Mr. James' comments in terms of local residents getting the opportunity of being able to bid for the work. Mr. Bustos stated there are so many businesses in the Bayview that have been there for quite some time and have had to put up with a lot. He stated that there have been long time businesses that are barely making it, but giving them an opportunity whether it be vendors or contractors. In terms of the facades, Mr. Bustos asked they be given an opportunity and requested staff to make sure they outreach to the old businesses that have been there for quite some time, and help them understand that these programs are there to help them, that their businesses are needed, and they should reap the benefits of having survived so much construction, as well as the downturn of the economy. Mr. Bustos asked that the Agency try to do their best to help them out as much as possible since they deserve it; they are the fabric of the neighborhood. Commissioner Bustos seconded Ms. Covington's motion.

Commissioner Anaya requested staff for more information on the program guidelines, what are the plans for employment and contracting, and to reinforce what Mr. Bustos suggested, make sure the residents from the area get the opportunities for both.

Ms. McMorrow stated the program guidelines originated from the Office of Economic and Workforce development working together with Agency staff in developing the program. Ms. McMorrow indicated that the original iteration of the SFShines program guidelines came out of the larger citywide program and was adopted for Third Street. In that adaptation, there was discussion of what the contracting requirements would be for the particular program, and to ensure local residents and businesses were involved, and that the grant recipients are local. The program is funded with Bayview tax increment and specifically for the Bayview Redevelopment area. Any business in the project area seeking a façade improvement is eligible to apply. The grant recipient themselves does the bids, and while the bids are not required to be given to a 94124 contractor, one of the bid that is solicited by each of the grant recipients must be a 94124 contractor and required to receive at least three bids. The intent is to maximize the opportunity that 94124 businesses are able to be involved in the bid process, but they understand some businesses have existing relationships with contractors who may not be 94124 businesses; they ask they solicit at least one. The other component is the main reason Renaissance Bayview is funded, as well as the Bayview Merchants Association, is for outreach staff to do outreach for SFShines since they are connected with both the business community and the small business commercial community and the contracting community in the Bayview, and serve as a liaison between the projects and the work that might be available because of those projects.

Commissioner Anaya asked if there was an analysis of the number of contracts as a result of these projects of what the community will get as far as employment and projects.

Ms. McMorrow stated she did not have the analysis at hand but believes when the contracts do go out, they maintain a record of who the contracts go to. Staff will provide an informational memorandum with the data.

President Swig stated that he appreciates the example being set with the PAC and how they reached consensus in the community, how they have worked over many iterations, and how much it has assisted the Commission in understanding that the community is very much behind this. Mr. Swig stated he appreciated the community's efforts, time, and energy to make their job easier in making their decisions with their commitment to the activities. Mr. Swig thanked the PAC for setting such a great example for the rest of the City as well.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 20-2011, AUTHORIZING A LETTER AGREEMENT WITH THE OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT, IN AN AMOUNT NOT TO EXCEED $500,000, FOR PROVIDING GRANTS AND THE ADMINISTRATION OF A FAÇADE AND TENANT IMPROVEMENT PROGRAM FOR THE THIRD STREET COMMERCIAL CORRIDOR AS PART OF THE LARGER CITYWIDE SF SHINES FAÇADE IMPROVEMENT PROGRAM, FROM MARCH 1, 2011

TO MARCH 1, 2012; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(i) Workshop on the creation of a Bayview Hunters Point Revolving Loan Program to provide loans to business and property owners on Third Street; Bayview Hunters Point Redevelopment Project Area.

Presenter: Stephen Maduli-Williams

Speakers: Angelo King, Al Norman, Lashon Walker

Commissioner Bustos expressed his concern on the $300,000 high threshold for businesses that are mom and pop shops. He stated there is an economic recession, and before that streets were torn up all up and down Third Street which resulted in a loss of businesses. Mr. Bustos suggested, since it indicated "proof of an existing business with three years' operating experience", if it can say at least $300,000 in annual sales. If there are businesses that are there with at least three years of experience, then it gives an opportunity for the long time businesses to have an opportunity that may not have $300,000 in annual sales, but gives some of the larger businesses that have $300,000 of annual sales opportunities as well.

Mr. Maduli-Williams agreed with Commissioner Bustos suggestion which would be a perfectly reasonable solution and will do so.

Commissioner Covington concurred with comments made by Commissioner Bustos. Ms. Covington asked how much the loan fund was for Sixth Street.

Mr. Maduli-Williams indicated, $1.5M for Sixth Street, and $1M for Bayview.

Commissioner Covington stated the commitment to Sixth Street is a short commitment in terms of length of street, and Third Street is a long vibrant street. Ms. Covington asked how they can get more funds for Third Street which is very much needed.

Mr. Maduli-Williams stated there are many existing businesses that have needs and underutilized storefronts, and ultimately, it will take $30M to invest in Third Street to start to make the difference, but felt this is good start. Mr. Maduli-Williams believes if they can have a few successful projects, it is their hope it will attract additional investors.

Director Blackwell stated the budget is reflective in that they are very early in the redevelopment process in Bayview than they are in the South of Market;

they don't have as much tax increment to draw on. Bayview Hunters Point project area is the only project area that has lost assessed value over the last few years. Mr. Blackwell indicated that they are working with a budget in the Bayview project area that is severely constrained by where they are in the life cycle as well as the amount of tax increment that is available to them. The issues in terms of development of relationships with Bank of America, Wells Fargo, and Chase will be very important. Mr. Blackwell stated that the Agency has been successful in receiving a $35M allocation from the Federal Government for new markets tax credit program which was one of their strategies when they looked at the budget in Bayview to make sure they had more resources beyond those that are currently at their disposal to deploy in the Bayview.

Commissioner Covington asked for clarification that part of the $35M can bolster the funding source.

Director Blackwell stated he views it as a compliment to the source, not necessarily a source of funds they would put into the pool.

Mr. Maduli-Williams indicated that the monies are generally earmarked for medium sized commercial projects, particularly on Third Street. They are currently in the process of trying to close their agreement with the US Treasury Dept. and will then look at particular projects and sites. They are looking at Third Street in terms of what type of projects they can start off using new markets.

Commissioner Covington stated she would like an additional workshop on how the team proposes to expend those funds as they come in. Commissioner Covington stated the matrix did not specify that the loan committee will visit the businesses and see what they're like.

Mr. Maduli-Williams stated the other option was to have the business owner present to the loan committee, as well as staff visiting the businesses which will be part of the underwriting analysis.

Commissioner Covington stated it was essential that as many loan committee members visit the businesses in deciding the viability of the businesses. Ms. Covington asked if there was going to be a Bayview merchant who is familiar with the business community on the committee.

Mr. Maduli-Williams indicated they will include a Bayview merchant which adds value to the evaluation process.

President Swig indicated that the power point business evaluation matrix mentions a 10% weight of local hire by the number of jobs created. Mr. Swig asked how you affirm that those are real jobs that are going to be done by real people

Mr. Maduli-Williams stated they will be using the same type of process they use on their investments in the restaurants on the Fillmore. They made an analysis of what the projected job hiring was and then after the first six months of operating, they receive an update from the employers on who they're hiring, where they're from, the zip codes which is policed from a permanent stand point. Staff will have a report that uses the same process that shows the short term construction hiring, as well as the permanent hiring, and after either six months or a year. They are looking at creative ways outside of the policing approach to incentivize the businesses to make sure they hire locally and keep local people.

President Swig stated there have been some businesses in the Western Addition where hires were made and the commentary back from the community was yes, they hired them but state that you go there now and you won't see anyone from the community. Mr. Swig believes those controls are important. Mr. Swig asked where the emphasis are in getting businesses that have been long term businesses that are needy of re-nourishment, the opportunity of Redevelopment, or reinvention. Mr. Swig asked what is the criteria and balance and the ability for them to participate.

Mr. Maduli-Williams stated it was open to those businesses to participate in the metric. One of the pending businesses is a local business that has been in the neighborhood for 8 years and would like to use the funds to refurbish their business to make it more attractive and generate higher revenues. Mr. Maduli-Williams indicated the only businesses that will have trouble are start-ups unless they have significant amount of experience and capital and have another operation at another location where they can transfer the experience of that business over into a satellite operation along Third Street. Mr. Maduli-Williams expressed his concern over someone who has never operated a business.

President Swig suggested, if there is a local business practitioner who ventures with a more experienced practitioner who has a track record, such as some of the housing projects where there is an inexperienced developer teaming with an experienced developer, the more experienced developer mentors the less experienced one. Mr. Swig stated that would be something that can be emphasize as this evolves so it shows how an inexperienced business practitioner who wishes to get experience doesn't suffer from a catch 22 where they need the money but don't have the experience. Mr. Swig's recommendation is identifying that opportunity as you go through the process of planning, and create the opportunity for mentorship, an opportunity for new businesses, inspiring entrepreneurs to get into business, and give them the prescription on how they might start a business.

(j) Workshop and Update on Agency's Operating Agreement with Museum of the African Diaspora (MOAD)

Presenter: Stephen Maduli-Williams

Speakers: None.

Commissioner Covington stated that MoAD has become one of the jewels in the crown of San Francisco and a wonderful addition to the Yerba Buena area. She also indicated that the mission of the cultural entity is very good just looking at how Africans and diaspora has impacted the daily lives of people all over the world. Ms. Covington indicated that the success of MoAD has a lot to do with a newly invigorated board and with a new Executive Director, Ms. Grace Stanislaus, who is well known and well respected by other cultural institutions in the country. Ms. Stanislaus is a Romare Bearden scholar and Ms. Covington understands there will be a Romare Bearden exhibit coming to MoAD very soon which will be immensely popular. Mr. Covington indicated that MoAD is now open on Sundays and stated there were people lined up for hours on Martin Luther King's birthday to get inside to see the exhibit. Ms. Covington asked in terms of the capital improvement project, if there was enough in the budget as to do what MoAD has to do in terms of reconfiguring the space and sprucing up the permanent exhibits.

Mr. Maduli-Williams stated the Yerba Buena Center project area has expired and there currently are no other available funds other than what he mentioned for MoAD and was not certain how much it will cost to implement the vision, which is why $50,000 was provided in capital to hire an architect to see what it would cost to reinvigorate MoAD from a physical standpoint; the $500,000 was a down payment on getting the work done and to leverage other funds from other foundations.

Commissioner Covington asked if there would be other funds forthcoming.

Mr. Maduli-Williams stated there are funds from other sources that will be forthcoming, but not from the Agency.

Commissioner Covington stated they have begun a $5M endowment fund from an anonymous grant of $1M. Ms. Covington stated that the capital improvement project is very important to the extent that the Agency can support them, and should support them. Ms. Covington expressed that the idea of the BVHP oral history project is brilliant since there is a need to capture the stories of who worked in the shipyard, and who have been in a community which has the highest percentage of homeownership out of any community in San Francisco.

Commissioner Bustos expressed his appreciation to Mr. Maduli-Williams for all the work on the museum. In talking earlier about partnerships, he believes, as he's mentioned before, that the St. Regis utilizes the Yerba Buena area in its marketing of its condos for millions of dollars. Mr. Bustos suggested that the St. Regis, as a good corporate citizen, should be helpful in this capital improvement campaign and asked if there has been any effort in discussing this with the St. Regis since he is aware the St. Regis charge for the common space.

Mr. Maduli-Williams stated when Ms. Stanislaus first started, she was adamant at looking at the expenses to see what they were being over charged with, which she immediately addressed. Mr. Maduli-Williams stated that he has had extensive discussions with MoAD's Board chair, Kimberly Brandon, and agreed to convene a meeting to include Ms. Brandon, Ms. Stanislaus, as well as Director Blackwell to discuss what options they had. There was also a question about $2M that was supposedly available for capital improvements which he has discussed with Ms. Brandon and reviewed past records and budgets. Mr. Maduli-Williams indicated the $2M was never approved, and has confirmed with Ms. Brandon, that there is $550,000 but not $2M.

Commissioner Bustos understands the St. Regis is owned by Starwood, and has had similar conversations with Westfield. Mr. Bustos believes to be a good corporate citizen and neighborhood, similar to what they are trying to ask for the Mexican Museum, the St. Regis should do the same since their residents in the condos are also utilizing the museums.

Mr. Maduli-Williams stated they plan to discuss the various options and different alternatives. Mr. Maduli-Williams expressed his concern in that the Agency also has an investment at Zeum as well, who are also in need of major refurbishing, without any money left in the project area there are a number of issues in terms of parity, equity, who and how they invest, and if they should reinvest.

Commissioner Bustos stated the Yerba Buena area is an international hub with visitors and should be seen as part of the generating of income. He suggested possibly speaking to the Mayor and Board of Supervisors since people will continually visit from all over the world. In terms of the endowment, Mr. Bustos stated there is a $5M endowment campaign, and based on the operating agreements, monies that have already been set aside, he asked why can't the Museum hold that money so they can generate interest from the $2.3M that is already set aside for them so they can build their endowment, not to touch it or use it outside of the timeframe, but believes they can earn interest by having the $2.3M in their bank account than in the Agency's.

Mr. Maduli-William stated he will look into Mr. Bustos' suggestions.

Commissioner Bustos thanked Ms. Stanislaus for successfully turning things around at MoAD and suggested she meet with the new Executive Director of The Mexican Museum. Mr. Bustos and thanked Mr. Maduli-Williams for his work on Museum.

Commissioner Covington asked for clarification on the $2M. She understands it appeared in the 2009-2010 budget as an earmark for MoAD but the language accompanying it indicates it may have been for the whole area. She indicted that she will be reviewing the documents so everyone will be clear as to what happened to the initial $2M.

Mr. Maduli-Williams stated he reviewed the budget with Ms. Brandon and explained that the $2M amount was not only for MoAD, but for other institutions as well. Ultimately what they were doing was setting aside dollars for MoAD in the future, the $2M was not exclusively for MoAD. Mr. Maduli-Williams indicated prior year budgets referenced an amount for cultural institutions and it is for a variety of different institutions, not just one.

Commissioner Covington asked if all the monies had been expended in previous budgets.

Mr. Maduli-Williams stated if it was related to a grant agreement with MoAD or other institutions, the money has been expended. Mr. Maduli-Williams stated he will research it further and report back.

Commissioner Anaya expressed her appreciation of the presentation which answered all her questions on the matter.

President Swig asked if there was a legal restriction with regard to the funding identified in the information he disclosed. Can any upcoming funding that is scheduled for MoAD be used for capital improvements or is the funding restricted to the operation.

Mr. Maduli-Williams stated the preferred use is for capital improvements.

President Swig expressed his appreciation to Ms. Stanislaus on the spectacular job done; she came into a situation where the mission statement was very foggy, the planning was ambiguous, the business plan may not have been as sturdy as she's made it, and now with her vision, mission, strategic strategy, and tactics the Museum is flourishing. He prefaced his comments by showing his appreciation for the level of professionalism Ms. Stanislaus brought to MoAD very quickly. Mr. Swig stated what the museums in the City have to understand in going forward, which the Jewish Museum recognized very early, you can get it built, but can you afford to live there? They were extremely proactive prior to their development to raising an endowment so once they built it, they could live there and sustain it. Mr. Swig stated, in regards to the Mexican Museum and Zeum, this is something Museums have to understand when it comes to added capital; operations. Mr. Swig stated that it will come to the development effort that will keep MoAD going, get the Mexican Museum up and running and sustained, which he does not believe it necessarily is something that comes back to City Government or sustained by City Government based on the financial conditions the City is currently experiencing on a local, State, Federal level. He would like to support the concept that the city outside of the hotel tax fund and other funding would be able to support the Museums, but reality of the situation is that the cultural institutions will have to understand that development efforts are even more important than ever before. In reference to the St. Regis and their responsibility, he stated he would like to be sympathetic to Mr. Bustos in that area, but would also like to recognize that the building and business as grand as it seems, that investment has lost of tens of millions of dollars for their investment. Mr. Swig stated all of the Museums are an amenity and a sales benefit to all the commercial businesses in the area, and believes the initiative is that the current business improvement district adjust the business improvement district to expand it and gather further funding than they already have, and create a mechanism to expand that further funding which may be escrowed or targeted to go directly into those amenities.

(k) Workshop/Update on the Implementation Phase of the Letter Agreement with the Office of Economic & Workforce Development to administer marketing and economic development programs on the Fillmore commercial corridor (between

Post and McAllister Streets) for a period of two – three years; for an amount not to exceed $800,000.

MOTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED THAT THE WORKSHOP/UPDATE ON THE IMPLEMENTATION PHASE OF THE LETTER AGREEMENT WITH THE OFFICE OF ECONOMIC & WORKFORCE DEVELOPMENT TO ADMINISTER MARKETING AND ECONOMIC DEVELOPMENT PROGRAMS ON THE FILLMORE COMMERCIAL CORRIDOR (BETWEEN POST AND MCALLISTER STREETS) FOR A PERIOD OF TWO – THREE YEARS; FOR AN AMOUNT NOT TO EXCEED $800,000, BE CONTINUED TO THE NEXT REGULARLY SCHEDULED MEETING AS THE FIRST ITEM.

Items 4(l) – (n) were presented together, but acted on separately

(l) Authorizing a Second Amendment to the Acquisition Loan Agreement with Third and Le Conte Associates, L.P., a California limited partnership, to increase the loan amount by $572,265 for the value of land-related costs associated with the development of 73 units of very low-income, rental supportive housing at 6600 Third Street; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 21-2011)

(m) Authorizing a Third Amendment to the Predevelopment Loan Agreement with Third and Le Conte Associates, L.P., a California limited partnership, to decrease the loan amount by $572,265 in connection with the development of 73 units of very low-income, rental supportive housing at 6600 Third Street; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 22-2011)

(n) Authorizing a Loan Agreement with Third and Le Conte Associates, LP, a California Limited Partnership, in an amount not to exceed $17,149,956, for the development of 73 units of very low-income rental supportive housing, 6600 Third Street; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program. (Resolution No. 23-2011)

Presenter: Kate Hartley, Agency staff

Speakers: None

Vice President Singh asked what the interest rate was on the loan, and when are they due.

Ms. Hartley stated the interest rate is 1%; the high level of the permanent loan amount requires a low interest rate so the limited partner's investment does not generate too many losses over the period the investor is involved, which is 15 years. It is a 55 year loan residual receipts, as all housing loans.

Vice President Singh asked what the total development cost is.

Ms. Hartley indicated the total development cost is $32M, with an expected $14M in tax credit equity. The units will be rental units for formerly homeless individuals. Rental subsidies will be provided by the Human Services Agency under their local operating support program.

Vice President Singh asked if any of the loans will become grants.

Ms. Hartley stated they do not expect to forgive the loan, it is a 55 year term.

President Swig stated he supports the item. Mr. Swig asked what the risk would be by shifting funds.

Ms. Hartley stated the original acquisition amount was $3.75M with the sponsor owning the property for two years. During that time, they have incurred the land related expenses which includes the demolition of the old San Franciscan Motel; the land is not incurring expenses. In terms of segregating the land related costs, that work is done. When the construction closing occurs that loan will be fulfilled in terms of the sponsor transferring the land back to the Agency. If they were ever to come back to the Commission for additional funds, it would not be shifting funds from loan to loan since that process will have been completed.

Commissioner Singh asked what the total investment was on the 73 units.

Ms. Hartley stated the total investment is $32M; $17M from the Agency, $14 from the investor, $1M from the Federal Home Loan Bank.

Vice President Singh asked what size were the units.

Mr. Michael Simmons indicated there are four types of units in the development consisting of 15 - 300 sq.ft. studios, 12 – 425 sq.ft. junior one bedrooms, 15 – 500 sq.ft. one bedrooms, 25 – two bedroom units, 8 – 3 bedroom units.

Vice President Singh asked for the total cost per square foot.

Ms. Hartley stated the construction cost per square foot is $263; total development cost $395 per sq.ft. to build.

Vice President Singh asked what the cost was for a 300 sq.ft. studio.

Ms. Hartley indicated an average two bedroom, single family home, the medium sales price is $400,000. The apartments will be for homeless families who will be paying about 30%-40% of their income which is typically just SSI. These are people who are coming directly from the streets or shelters to live there.

Vice President Singh asked what the market rate was for the area.

Mr. Simmons stated they conducted a market study and found that rental rates for studios run in the area of $800; 2 bedrooms, $1,100 - $1,200.

Mr. Singh indicated he lives in the Sunset area and rentals are much lower in cost.

Mr. Simmons indicated they will be renting the units for $300 - $350 a unit.

Commissioner Bustos put forth a motion to move items 4 (l – m).

Commissioner Anaya seconded Mr. Bustos' motion.

ADOPTION: RESOLUTION NO. 21-2011, AUTHORIZING A SECOND AMENDMENT TO THE ACQUISITION LOAN AGREEMENT WITH THIRD AND LE CONTE ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO INCREASE THE LOAN AMOUNT BY $572,265 FOR THE VALUE OF LAND-RELATED COSTS ASSOCIATED WITH THE DEVELOPMENT OF 73 UNITS OF VERY LOW-INCOME, RENTAL SUPPORTIVE HOUSING AT 6600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, RESOLUTION NO. 22-2011, AUTHORIZING A THIRD AMENDMENT TO THE PREDEVELOPMENT LOAN AGREEMENT WITH THIRD AND LE CONTE ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO DECREASE THE LOAN AMOUNT BY $572,265 IN CONNECTION WITH THE DEVELOPMENT OF 73 UNITS OF VERY LOW-INCOME, RENTAL SUPPORTIVE HOUSING AT 6600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, AND, RESOLUTION NO. 23-2011, AUTHORIZING A LOAN AGREEMENT WITH THIRD AND LE CONTE ASSOCIATES, LP, A CALIFORNIA LIMITED PARTNERSHIP, IN AN

AMOUNT NOT TO EXCEED $17,149,956, FOR THE DEVELOPMENT OF 73 UNITS OF VERY LOW-INCOME RENTAL SUPPORTIVE HOUSING, 6600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

5. MATTERS NOT APPEARING ON AGENDA: None

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.

Adrienne Williams, Bobbie Webb, Leo Otis Martin, Tessie Esther, Oscar James, Larry Del Carlo

7. REPORT OF THE PRESIDENT:

- Recommended everyone attend the 31st Soul Cuisine at Its Best to be held Saturday, March 5, 2011, between 11am – 6pm at the Dr. Davis Senior Center on Yosemite Avenue, Third Street in San Francisco.
- President Swig asked the Commissioners to make a selection of their availability from the proposed dates for this year's Commission Retreat. Mr. Swig indicated this year's retreat will be very critical in planning the Agency's future given the Governor's proposal, and asked Director Blackwell to advise the Commissioners if they should meet early on April 26th, or move towards the later proposed dates.
    - Director Blackwell advised the earlier date would be the preference.
        - President Swig asked his fellow Commissioners when selecting their date for the retreat to please take the advice and request of Director Blackwell under consideration and submit their recommendations to the Commission Secretary by the end of the week.
- President Swig expressed his appreciation to Mr. James and Ms. Esther for taking their time to attend the Commission meetings and for their advice. In terms of the issue on turf warfare, he stated it is an unfortunate situation but should be addressed. Mr. Swig asked Director Blackwell to continue his focus on the issue, and to continue to work with the Housing Authority to get some type of resolution to the situation.

8. REPORT OF THE EXECUTIVE DIRECTOR:

(a) Update on Governor's proposal to dissolve Redevelopment Agencies

- The Senate and Assembly Budget Committees have met. The Big Ten City Mayor's submitted an alternative proposal, and the Dept. of Finance released the trailer bill to the Governor's proposal. The Senate Budget Committee voted to accept the Governor's proposal to eliminate Redevelopment and redirect the $1.7B they think would be available to the State's general fund. The Assembly Budget Committee took a similar but different course. They voted to score the $1.7B that they think they can get from Redevelopment which means they included in their budget assumptions, but they concluded that they should try to get the $1.7B through reforms and compromises rather than thru the elimination of Redevelopment. In cases like this where the Senate and Assembly Budget Committees do not come up with the same conclusion, a conference committee is then appointed to reconcile the difference. The Conference Committee is made up of 2 Democrats, 2 Republican 2 Assembly members who have already started to meet and are hoping to end their deliberations by the following week and will be sending their recommendations for full vote at the Assembly and the State. Mr. Blackwell indicated they have been meeting as part of a group of the ten largest cities in the State with the intent of putting an alternative proposal to the Governor that would get a significant amount of money to the State this year, create an additional increased funding stream to the schools, and also propose some programmatic reforms. Statewide, they projected it would create $200-$250M annually. The $200-$250M per year funding stream, statewide, could be used to finance $1.7B that the State could use to fill its budget hole this year. The second component of the Big Ten City proposal was an additional 15% pass through that would be assessed on increases in tax increment after the 2008/2009 fiscal year that would go to counties, which was proposed as a remedy to some of the concerns that have been raised about long term funding to counties and schools. The third dimension of the proposal was a set of programmatic reforms. (1) In order to limit the size of Redevelopment, there would be a 20% cap on the amount of total tax revenue that could go to Redevelopment activities in the given jurisdiction. (2) A set of reforms of increasing the effectiveness of low-mod affordable housing pool by making sure that money was spent less on admin, and more on production, and focus on more timely use of the funds that are deposited into the low-mod affordable housing pools. (3) The last reform was increasing transparency and getting more lead time before legislative bodies made decisions on large real estate deals. Those were the core components of the Big Ten proposals. Mr. Blackwell stated it ended up being a Big Eight proposal because the cities of Fresno and Santa Ana ended up not signing onto the proposal due to their opposition to any recommendation that might require amending the State Constitution allowing the State to take local money to balance the State Budget in the future.

- Second part of the discussion is how the State has reacted to the proposal. Director Blackwell indicated that he was in Sacramento the previous week to walk through the proposals and key components with members of the Senate and the Assembly, as well as the Lt. Governor. The previous Friday he was once again in Sacramento with Mayor Lee to get a response from various people. They meet with the Governor's office, the Dept. of Finance, and a few Assembly members. There was general consensus that what was being proposed was unconstitutional because it violated Prop 22 which was passed by the voters in November which is that the State cannot take local money in order to balance the State budget. A way around that would be to amend the State Constitution; the feedback was that given all the other complicated items that would be on the ballot in June, including the extension of tax increases, there was not receptivity towards putting before voters a constitutional amendment related to this. The proposal was also in violation of Prop. 58 which is that the State cannot issue debt in order to order to close its budget gaps. There was also feedback from the Dept. of Finance and the Governor's office that they were philosophically opposed to the issuing debt in order to balance the State Budget. In conclusion, Director Blackwell stated that it has been difficult to respond to the Governor's proposal since there was no legislation that had yet been introduced. The trailer bill was finally released the week prior. In summary, the trailer bill language uses the approach of freezing existing activities within Redevelopment Agencies, and then abolishing them in July 1, 2011, and appointing successor entities that are designed to wind down the existing commitments that exist. The key components of it is that commencing with the effectiveness of the bill which would be the day the Governor signs it, virtually, all of Redevelopment activity would be suspended except for the paying of existing obligations. Redevelopment Agencies would continue to operate under those restrictions until July 1, 2011 when all Agencies will be abolished, effective July 1, and successor entities would be created and take over the assets and obligations of the former Redevelopment Agencies. Successor Agencies would be charged with rapping up the obligations of former Redevelopment Agencies under the direction of a new oversight board which would be dominated by appointees of educational and county interests. County controllers would be the Treasurers for the new agencies, and the $1.7B would go into the State's General Fund and pay for trial court and medical costs. In subsequent years, what would formerly be known as tax increment would be redistributed to taxing agencies after paying the amounts due on existing debt. Director Blackwell stated they continue to push forward alternatives to the Governor's proposal, they continue to argue that the $1.7B that the State believes it would get through the abolishment of Redevelopment is a fallacious number, it is based on old data that has inflated projections of how much tax increment is available statewide, and does not completely account for all the existing obligations that exist within Redevelopment Agencies at this time. The Big Ten Cities believe the number that would be achieved through the abolishment of the Redevelopment Agencies would be closer to $900M , than the $1.7B, which means the Big Ten proposal is probably the only way the State would get $1.7B to balance their budget. Director Blackwell also expressed his concern over the language that has been released through the trailer bill and believes it is prudent, in the worst case scenario that the language is adopted or the Governor's proposal is adopted, that the language be improved. They are working to make sure the definition of existing obligations is one that would encapsulate everything in its existing obligations in the City and County of San Francisco. They are offering language that would make sure the successor entities would have powers that are robust enough to meet those existing obligations; not just check writing entities. They are emphasizing that the composition of any new oversight board should be a more local decision than a State decision in terms of how those Commissions and Boards are defined in terms of their composition. They are also working on making sure the successor entities have the ability to issue debt in order to meet their existing obligations which will be critical towards implementation of Transbay, Mission Bay, Hunters Point Shipyard, Hunters View, and the revitalization of Alice Griffith; without the ability to issue debt to meet existing obligations, development would essentially stop. Director Blackwell stated the feedback from Sacramento, especially the Governor's office, is they are marching forward with their proposal. To date, the State Senate, part of the legislators seem to be aligned with the Democrats, aligned with the Governor, believes there is much more of a fight ahead within the assembly. They have not indicated that they are yet willing to support the Governor's proposal. The conference committee will be meeting to look at recommendations going to the larger bodies by mid- March. The Governor has imposed a deadline of mid-March to wrap this up so he would have time to get to voters in June.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- President Swig reminded his fellow Commissioners to fill out Form 700, due April 1st.

- Commissioner Anaya thanked members of the public who stay so long to address the Commission, the Commission works very hard but their work would not be possible without the comments from the Community, and especially thanked Mr. Oscar James who attends the meetings. Commissioner Anaya also thanked Commissioner Del Carlo and expressed her appreciation for his progress reports to the Commission about his organization, she believes it gives the Commission energy and motivation . Ms. Anaya stated she believes the Commission will continue to look into supporting partnerships between big developers and small developers so small developers create the portfolio they need to do more work within the communities. Ms. Anaya also thanked Director Blackwell and Agency staff for the workshops, she believes they are very important, but would also like to see more in terms of what is being done with Workforce Development and job creation.
- Vice President Singh thanked Commissioner Del Carlo and asked that his fellow Commissioners consider his recommendations.

10. CLOSED SESSION: None

11. ADJOURNMENT:

It was moved by Commissioner Anaya, seconded by Commissioner Bustos, and unanimously carried that the meeting be adjourned at 7:30 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

JUNE 7, 2011

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 15th DAY MARCH OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 15th day of March 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Miguel M. Bustos
Francee Covington arrived at 4:30
Leroy King

And the following were absent:

Agnes Briones Ubalde

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Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

4. MATTERS OF UNFINISHED BUSINESS. None.

3. MATTERS OF NEW BUSINESS:

REGULAR AGENDA

CONTINUED FROM THE MARCH 5TH COMMISSION MEETING:

(a) Workshop/Update on the Implementation Phase of the Letter Agreement with the Office of Economic & Workforce Development to administer marketing and economic development programs on the Fillmore commercial corridor (between Post and McAllister Streets) for a period of two – three years, for an amount not to exceed $800,000.

President Swig indicated that Item (a) was a continuance from the March 5th meeting requested by Commissioner Covington who was running late for the meeting due to the rain. President Swig asked to keep Item A on the agenda and since staff was present for Items (c) & (d) he requested to Item (a) directly thereafter or whenever Commissioner Covington arrived.

Commissioner Singh approved the motion, seconded by Commissioner Bustos, and unanimously carried.

(c) Authorizing a Grant Agreement with the City and County of San Francisco, acting by and through the Municipal Transportation Agency, in an amount not to exceed $785,000 to provide supplemental funding for the renovation of the Bayview Opera House Plaza and making findings required by Health and Safety Code Section 33445; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 24-2011)

(d) Authorizing a Grant Agreement with the City and County of San Francisco, acting by and through its Arts Commission, in an amount not to exceed $400,000 to provide supplemental funding for the interior renovation of the Bayview Opera House and making findings required by Health and Safety Code Section 33445; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 25-2011)

Presenter: Ricky Tijani, Agency Staff

Speakers: Judy Nemzoff, Dorris Vincent, Ace Washington, Angelo King

Commissioner Bustos commented how excited he was that this was happening and hoped that the Bayview Opera House gets approved. Mr. Bustos put forth a motion to move items 4(c) and 4(d).

Commissioner Covington seconded Mr. Bustos' motion. She indicated how important it was to retain historical and cultural heritage in the city of San Francisco and reminded all opera lovers that that was where Enrico Caruso sang when he came to the city. Commissioner Covington mentioned that upgrades to the Opera House should continue so that it can remain with the city of San Francisco.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 24-2011, AUTHORIZING A GRANT AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISOC, ACTING BY AND THROUGH THE MUNICIPAL TRANSPORTATION AGENCY, IN AN AMOUNT NOT TO EXCEED $785,000 TO PROVIDE SUPPLEMENTAL FUNDING FOR THE RENOVATION OF THE BAYVIEW OPERA HOUSE PLAZA AND MAKING FINDINGS REQUIRED BY HEALTH AND SAFETY CODE SECTION 33445; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, AND RESOLUTION NO. 25-2011, AUTHORIZING A GRANT AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH ITS ARTS COMMISSION, IN AN AMOUNT NOT TO EXCEED $400,000 TO PROVIDE SUPPLEMENTAL FUNDING FOR THE INTERIOR RENOVATION OF THE BAYVIEW OPERA HOUSE AND MAKING FINDINGS REQUIRED BY HEALTH AND SAFETY CODE SECTION 33445; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(a) Workshop/Update on the Implementation Phase of the Letter Agreement with the Office of Economic & Workforce Development to administer marketing and economic development programs on the Fillmore commercial corridor (between Post and McAllister Streets) for a period of two – three years, for an amount not to exceed $800,000.

Presenter: Amy Cohen, OEWD Staff

Speakers: Erris Edgerly, Charles Melancon, Sr., Majeid Crawford, Todd Claytor, Adrian Williams, Melanie Green & Meaghan Mitchell, Roy Bennett, Ace Washington, Monetta White, Charles Spencer, Daniel Landry, Jenny McNulty

Commissioner Covington stated how much this project means to her and indicated that she has received many calls about the events in the Western Addition. She stated that people are now calling saying that things are not moving quickly enough, and expressed concern about a number of things, specifically the breakdown and disbursement of the $187,000 in planning and administrative fees. Ms. Covington reminded them that she had requested for this meeting that there be some kind of schedule attached for disbursement of the remaining funds, which was not included. She stated that everyone needs to know how much money is left, who is going to get it, and when. Ms. Covington asked if there was someone either from the Agency or from the Mayor's office who could provide that information to them.

Mr. Maduli-Williams stated that in 2009 the notion of funding future marketing activities and business development activities in the Fillmore was created. After the agency approved those initial $800,000 dollars, there was significant input given to the process by Supervisor Mirkarimi, who requested that there be a community planning process, which included community outreach among other things because Supervisor Mirkarimi had his own ideas about what the needs were in the Fillmore. Mr. Maduli-Williams explained that the budget reflected the attempt by the Office of Economic and Workforce Development (OEWD) to respond to what the supervisor wanted. Regarding staffing costs, many of the administrative costs were initially hidden because there was agency staff performing the work. Now without the Agency, there is no one to actually implement the plan and that is part of the reason they considered OEWD. OEWD had a track record in the neighborhood marketplace initiative and also had the staff execute the plan. Also, OEWD had the ability to leverage the $800,000 and turn it into something more in terms of grants and support. He stated that at that time he did not know how to implement the $800,000 or carry out marketing efforts since the Community Benefits Districts (CBD) was not yet functioning. Administrative costs represent the cost of doing business without the Agency and trying to craft the initiative as best they could given the constraints they were under and the resources that were available. In terms of the timeline, he stated that he was not aware that Commissioner Covington had requested it and apologized for not having it. He stated that he will work with Andrea Baker and Amy Cohen and provide the Commission with the.

Ms. Cohen mentioned that the time billed as administrative cost is Ms. Baker working part-time for them and that none of the other staff in her office charge for their time. Ms. Baker is still on staff with the Agency and they reimburse the Agency for her time. She also mentioned that they intend to work as much as possible with community-based partners and is hoping that as the CBD becomes stronger they will be able to do more work with them as well as Urban Solutions and others, and specifically stated that it is not their goal to do all the work themselves. Ms. Cohen stated that the amount they are paying in staffing is small in comparison to what they get; they were asked by the Agency to create a budget for a three-year program so they have stretched it out over three years, although they are frontloading as much of the program development and delivery as possible.

Commissioner Covington agreed that there will always be administrative costs but that the percentage is worrisome because moving forward over 3 years there will be additional administrative costs. She stated that she did not believe that the $187,000 represented just Ms. Baker's salary.

Ms. Cohen stated that the $187,000 figure was actually wrong. It was changed to $215,000 (as indicated in the attachment and in the PPT), of which $50,000 represented a five-month planning process which involved a number of community meetings, merchant surveys and surveys of community leaders, property owners, expert walks, and two community forums. A team was assembled that included Local Initiative Support Corp., AECom, the Gellert Family Foundation of the USF Business School, Monica Hudson, Brothers for Change, and assistance from Ace Washington, including the conference center and food. She stated that they have an expenditures list from January through December that they had not made public. Ms. Cohen indicated that she could provide an accounting of how the first $150,000 was spent which included $50,000 on the planning, and the rest on the mini-grants, promotions, and staff time. The total administrative costs of $215,000 is broken down as follows: $50,000 for the planning, $8,000 for community engagement and outreach subsequent to the planning process, and $157,000 for staffing costs including Ms. Baker's time between Feb. 2010 and Dec. 2012.

Commissioner Covington reconfirmed that the $215,000 included projected costs as well. She asked about the level of grant funding that has come in.

Ms. Cohen stated that the African-American Arts & Culture Complex (AAACC) has been asked to apply for a $25,000 grant for the Fillmore Art Walks from Grants for the Arts. Ms. Cohen stated that they had asked Grants for the Arts to target the Fillmore in a program and suggested that the AAACC would be a good recipient. That grant has not been formally awarded yet. The Community Challenge Grant program has a $30,000 grant left over from a prior cycle and not spent by the CBD. The CBD and the Community Challenge Grant administrator agreed that they could use it to devote to Streetscape activation project, specifically for the public art project.

Commissioner Covington asked if this was money that had come in before they started which would make it already-existing monies.

Ms. Cohen said yes but clarified that it was money that was going to go back into the citywide pool if not used. She stated that they had encouraged La Cocina to apply for a $20,000 food grant from the Community Development Block Grant (CDBG) to buy a food cart that would be deployed in the Fillmore as part of the food vendor program and she was hopeful about being able to fund that. In addition, Ms. Cohen indicated that they had been invited to apply for a community challenge grant, which could potentially be as much as

$35,000, to supplement the existing one, but that is not due until April. Ms. Cohen stated that they have also funded and continue to fund Urban Solutions, which consists of a small CDBG grant for their ongoing business development activities citywide including the Fillmore.

Commissioner Covington was very reassured to hear that Ms. Cohen's office is so active in trying to find additional monies which will help to offset the loss of some of the money. She asked if Urban Solutions was the original fiscal sponsor.

Ms. Baker indicated that Urban Solutions has not been a fiscal agent for any of these funds.

Commissioner Covington asked who sends the check to the recipient of a mini-grant once they hand in their application.

Ms. Cohen stated that the fiscal sponsor for the event mini-grants program in the last round has been the AAACC. The OEWD made a grant to AAACC, held a selection process and then told the AAACC to sub-grant to the nine recipients. The AAACC conducted the fiscal oversight and the grants management with assistance from the OEWD. The check comes from the AAACC.

Commissioner Covington then asked what the timeframe is between getting approval for the money and receiving the money. She expressed concern about the time it takes to actually get the monies in hand. She reminded them that the reason people apply for grants are because they need the money quickly.

Ms. Cohen stated that the process had taken longer this time because the AAACC was new and the project was new but the hardest part of using money from the OEWD is that they provide grants to recipients on a reimbursement-only basis. Ms. Cohen stated that she thought that the turnaround time had improved.

Commissioner Covington stated that after the planning process, things needed to move more quickly and that she is still feeling a sense of urgency even after Ms. Cohen's explanation. She stated that three years was the most expanded period of time during which this was supposed to happen. Ms. Covington indicated that she does not want them to be working up against the deadline and told Ms. Cohen that they need to step up the pace a bit to get it done. Commissioner Covington indicated that she will hold off on her other comments to allow the other commissioners to weigh in.

Commissioner Bustos asked about the mobile food part of the proposal. He indicated that now there is a Food festival in the Mission, in which the majority of the vendors are not businesses from the Mission and that 90-95% of the restaurants that are highlighted are from outside the Mission. He stated he had a huge concern over the Agency becoming involved with something located in the Fillmore that does not promote local businesses. He wanted to make sure that the community is benefiting from this program rather than fancy restaurants from all over the City.

Ms. Cohen indicated that the program is a training program which is targeted solely to people from the Fillmore. Those trained in the program will have an opportunity to rent the food cart and others will have an opportunity to apply for loans. She indicated that they do not intend to do what La Cocina has done in the Mission although one of the sub-goals is that if they had mobile vendors they could have an activation of the public spaces in the Fillmore. They are not paying La Cocina nor developing a program just to bring people in to the area, it's about training local entrepreneurs and giving them a pathway to learn how to do this, see if they like it, and provide some funding to see if they can be successful. Some people might end up with a cart, some in a truck, and some at their house renting a commercial kitchen somewhere.

Commissioner Bustos indicated that he wanted to make sure that the community has embraced the project so they can truly benefit from it. He stated that sometimes organizations come into a neighborhood and try to impose their way of doing things on a neighborhood and as a result, it's not the neighborhood that actually benefits from those services. He asked them to be very careful and keep that in mind as they move forward with it. He asked that the community be involved with that process.

Commissioner Singh asked if the Western Addition was still a project area.

Ms. Baker responded that it was no longer a redevelopment project area and the $800,000 which the Commission authorized to OEWD is for work on the Fillmore commercial corridor between Post and McAllister. Those funds are directed primarily to businesses and activities that take place on the Fillmore corridor itself which is a part of the Western Addition, formerly a redevelopment project area.

Commissioner King stated that the Western Addition is his community and that he has been living there since 1941 and again in 1963. He stated that Urban Solutions has no solution because they are not involved in that community. He indicated that the Agency is spending a lot of money and not getting anything done. Mr. King indicated that he has not seen any real change out there in the last 20 years and that it is a real disgrace the way they have been throwing money away like this at the Fillmore. Mr. King stated this was not the fault of the OEWD but the fault of the Agency from the director all the way down to the commissioners. He indicated they have not gotten down to the real nitty-gritty of getting anything done. He said they will be out of business if they don't come up with some new ideas.

Commissioner Anaya asked if the community had made any comments about the lack of involvement of the CBD in the planning process for the budget. She indicated that in the budget, for example, administrative and planning fees usually run about 18% when you apply for funds; however the lack of involvement from the community in the budget process has created a lot of mistrust and concern by the community about the entire process. She wanted assurances that the community will be involved in the budget process in the future.

Ms. Cohen responded that the planning process produced a set of actions that were prioritized and they published a report outlining those activities. The activities were labeled as to whether they should be funded or not and whether those activities should be staffed by the OEWD or not. This process transitioned into the development of a budget. She indicated she thought they could have done a better job at bringing other people along with them throughout the process. Ms. Cohen stated that they will be meeting with the community on a quarterly basis to keep them apprised of everything and have been sending out a bimonthly newsletter.

Commissioner Covington asked if their quarterly meetings had been at the same time of the month and indicated that there needed to be some kind of standardization of the meeting time so that people can plan ahead and attend those meetings. She asked them to make that happen.

Ms. Cohen stated that they had been conducting the meetings with Supervisor Mirkarimi's office and faced challenges finding evenings that worked for everyone including the supervisor and that was why it had been a little erratic but indicated they are committed to holding them every quarter; the next meeting is schedule on Monday, March 21, at 6pm at West Bay.

Commissioner Covington wanted to know if the meetings had been attended by Supervisor Mirkarimi himself or by a staff member. (She again asked for a timeline from Mr. Maduli-Williams that shows an accelerated pace for getting the work done so that the maximum amount of monies that are left now can be spent on whatever it is they are trying to do.

Mr. Maduli-Williams stated that the $800,000 was transferred with the notion that the activity would take place over three years and the assumption was that it would take three years to generate the kind of foot traffic that the Fillmore needed to be more vibrant. The rationale was that it was not going to happen within a year and probably not in two years but hopefully would start to see some improvements by year three.

Commissioner Covington stated that in any granting cycle there is a period of time at the end of the grant period left for assessment, for reviewing the books, etc., so the process is really more like 2½ years, and suggested they just get in there and do it. She also indicated that the quarterly meetings be better advertised and be on a consistent day so that people who have small businesses can plan to attend. Ms. Covington wanted an update on the idea of having foods kiosks at Gene Suttle Plaza and asked if that idea had been discarded in favor of the food trucks.

Ms. Baker responded that the idea of the kiosks had not been discarded but rather have been folded into what they are doing now. She indicated that it is the hope of this action plan that they will be able to use the Gene Suttle Plaza not just to house food vendors but also to house artisans and crafts folks.

Commissioner Covington stated that a follow-up conversation with members of the community is essential so that they can understand what was proposed in terms of the kiosks; would they prefer a number of kiosks or the food truck. The kiosk permits whoever owns the kiosk to be more independent, to set their hours for the Plaza along with the other kiosk-owners as opposed to eight people getting in line for one truck for people who want to start businesses. She thanked everyone for their involvement and hard work.

Commissioner Bustos indicated that he was still concerned about the three-year timeframe because three years is a long time for a small business to be waiting for something to happen. He stated that if it's about getting foot traffic, there are a lot of ways of working with the Conventions and Visitors Bureau and neighborhood associations to be able to conduct outreach. He repeated that three years is a very long time especially since most of that time was spent on planning.

Ms. Cohen responded by saying that in the last eight months much has happened. It is not that they have been delaying the work but it takes time to develop strategic programs that are inclusive. She stated that at the beginning she thought the Agency wanted a program that would be drawn out for three years and that they had someone on the ground working with the businesses rolling out these programs. She indicated that she was hearing for the first time tonight that that was not the case and what they are really saying is to get the money out as soon as possible. She said they can do that. She also stated that there are many things going on that were not included in the presentation. One of the benefits of having staff like Ms. Baker is that they can remain opportunistic and carry out a lot of work to promote the neighborhood. She indicated that they are already working with the Convention and Visitors Bureau who will be bringing people through the Fillmore and the OEWD is helping develop their program for the POW-WOW Conference of tour operators. Another example was that they had worked on Sunday Streets, a minor budget outlay, but which had allowed business owners to take advantage of that opportunity.

Commissioner King asked who owns all the property from McAllister to Sutter Streets.

Ms. Baker responded that some of the largest property owners in that district are the Fillmore Center which is owned by Prudential, the Szeto's own two large properties that circle the Gene Suttle Plaza, and Goodwill.

Commissioner King indicated there are two or three vacancies between O'Farrell and Fillmore.

Ms. Baker responded that yes, there are many vacancies, more than they would like, and stated that they are working very hard with the Fillmore Center and their real estate brokers, who she calls monthly for an update about leasing the space.

Commissioner King stated that he had voted for the Fillmore Center which was the biggest mistake he ever made which created that big monster sitting there and nothing has changed with its financial backing in Chicago, but nothing local. He indicated that it's a problem.

President Swig thanked everyone for their hard work on the project and reminded them that they will never get consensus and will never get the thanks that they deserve. He stated that he hoped they get some satisfaction and sense of recognition for all their hard work. He reminded them about a grant program for several hundred thousand dollars that had been carried out several years ago and wanted to know if there was a link between that grant program and the people who were awarded those grants as well as their activities in this current program.

Ms. Baker responded that there have not been any direct linkages between the grant program which they set up under the Fillmore Economic Action Plan. That grant program has been directed primarily towards events and promotions.

President Swig stated that they had given away $360,000 in grants to entrepreneurs who at the time all lived in the Fillmore and were trying to initiate new business activities or continue their existing business activities. Mr. Swig indicated that he would like to see some evidence in the future that these entrepreneurs who were given those monies are wrapped into the current Fillmore program. Secondly, he asked the Executive Director for a "whatever happened to" informational memo to be directed back to the Commission regarding the status of the people that were given significant amounts of money to stimulate their businesses. He indicated that it is important in order for the community to be able to include those people into their program that they find out the end story regarding the $360,000 grant.

Ms. Cohen responded that they are working with many of the recipients of that grant money on their projects and they did receive a debriefing and used that to inform their planning process.

President Swig was not aware that they had received any information on that program and requested again an informational memo about the recipients of that money—specifically how they used the money, did they use the money for the things that they granted them for and how the recipients are being wrapped into the current project. He stated there is no resolution on this, just a continuing good-luck and success with it.

(b) Update and presentation on the Agency's Job Readiness Initiative's (JRI) first year progress report.

Presenter: Christina Garcia, Agency Staff

Speakers: Shamann Walton, Dion Jay Brookter, Melody Daniel, Sean Joyce, Samanta Sassi, Stevie Norris, Tary Moeon, Laurie Bernstein, Avery Cooper, Frances Vaifanua

Commissioner Covington stated how happy she was that things were moving along so well with this program and how proud she was of the Agency to be involved with this program. Commissioner Covington asked Ms. Garcia what the number 17 represented as shown in the pie chart.

Ms. Garcia responded that the numbers on the pie charts are actual numbers of job-seekers that have each of these barriers. On the left is the number of identified barriers and on the right are the numbers of barriers removed. What she was referencing was the top four barriers that had been identified on the left chart and the number was 17%. The overall number of barriers removed was low related to a high-school diploma or GED, criminal history, etc. while those people are engaged in activities to remove those barriers because they are learning that this process takes longer than originally thought.

Commissioner Covington asked how the transportation voucher program works.

Ms. Garcia responded that most of the transportation barriers have been removed by providing fast passes, muni passes, BART tickets, other transportation, actual resources to pay for transportation or at other times simply helping people work out actual transportation routes. She explained that it is not always about providing dollar resources or funds. In addition, she explained that the Barrier Mitigation Fund allows for transportation resources to be expended to help someone get to and from a job.

Commissioner Covington asked about how childcare was being handled.

Ms. Garcia stated that the childcare barriers have been removed in two or three ways. One is by helping people work through what their childcare options are, both permanent and temporary. Another example would be to help the job-seeker work with a non-custodial parent to modify or address child-support payments.

Commissioner Covington asked how people are finding out that these resources are available through their local Community-based Organizations (CBO's).

Ms. Garcia responded that each CBO has their own outreach strategies and the JRI provides resources to the CBOs so they can have robust outreach activities. Goodwill and Conservation Corp. have both been part of the early stages of the outreach plan and engagement at Hunters View to offer their services; both work with non-profits on the ground and in the neighborhoods. Goodwill partners with neighborhood-based CBOs to create that link to their services since their clients need to come down to their office on Mission.

Commissioner Covington asked about monies for union dues.

Ms. Garcia responded that the Barrier Mitigation policy was developed with the CBOs so when JRI first started they knew they wanted to have a Barrier Mitigation Fund and people submitted within their JRI proposal a dollar amount in order to be able to draw on the fund. Once the CBOs were selected, JRI worked with them to create the guidelines for using those funds because it was recognized that those are very precious resources and JRI was working with many people that needed some help; however, it is regarded as a last resort. JRI wants to make sure that the CBOs and the job-seekers are doing everything else they can before they come to the fund. Allowances have been made for those people demonstrating compelling cases to allow those funds to be used.

Commissioner Covington requested that this be put on the agenda for the upcoming meeting on Friday because this was an important issue. She stated that they are asking people to go out and pound the pavement to try to get a job and then if one of the barriers is that they have to pay their union dues within a certain amount of time, they need to have the flexibility to be able to do that.

Ms. Garcia added that many people that have the opportunity to go into construction work are often working with CityBuild or SOMAC as a referral partner. JRI has been in contact with CityBuild because often it is challenging for the CBO or the job-seeker to actually say they have the job under the condition that they can pay their union dues. JRI will allow the referring entity to provide information about jobs that are available and if there is someone on the list to be referred, then JRI can provide those funds. In addition, if it is someone who is already working and they still need to pay their union dues, JRI works with the CBO on financial management and planning so that everyone is mutually responsible for their activities. JRI is willing to pay a portion of or all of the union dues but they need to make sure that if someone is already working, that they are also contributing those resources. She explained that the Barrier Mitigation Fund resources are primarily targeted to the unemployed.

Commissioner Covington stated that on Friday they might also want to consider a revolving loan fund for this purpose because people who are offered a job will not have the resources immediately to outlay for union dues, but as they continue to work, a portion of their money can come back to the lending agency. Ms. Covington also indicated that she had a concern about gender parity; particularly that many men are receiving the JRI assistance but a lot of families are headed by women and the numbers of women involved is not increasing. Commissioner Covington commended everyone on very good work and she also thanked Mr. Maduli-Williams for his work as well.

Ms. Daniel from Hunters Point Family stated that she was not sure why there are more men than women in the program. She stated that during outreach they are careful to target men as well as females. Hunters Point Family has four youth programs, one of which is female-specific. What they are finding in the program is that females are the real go-getters and expressed that she was glad to be able to extend services to men. She indicated that men are harder to reach and bring into the program to help them remove the barriers or assist them because in their area the men are more hard-core and it is more difficult for them to get their lives together. The females are mostly employed and are pursuing educational careers but she wanted the Agency to know that they are not targeting men over women. She also stated that they have connected many women to subsidized childcare providers to handle the childcare issue. She stated that personally she is very happy to be able to help the men change their lives out on the streets.

Commissioner Bustos referred to Congresswoman Barbara Lee in the East Bay who had developed "Remedies Clinics" in trying to eliminate some of the barriers, one of biggest being criminal history. He suggested that some of the CBOs get together with Congresswoman Barbara Lee to work through this program. He indicated that at one meeting he attended the DMV, the courts, and other CBOs showed up and were able to expunge some of the criminal records of these people and stated that within minutes that one action completely changed their lives. He also talked about "Banning the box", another program that Congresswoman Lee and Mayor Ron Dellums worked hard on in regards to city jobs in Oakland. Mr. Bustos suggested that perhaps the Agency try to do some of these things on this side of the Bay.

Commissioner Anaya stated that many of the barriers listed and identified have been known for years by the CBOs but the CBOs have not been consulted about this issue and if they had been, we would have been aware of these issues years before now. She stated missing from the list of community barriers are computer skills and the ability to speak English. She stated she would like to follow up to review the funds that are being awarded to the CBOs to remove the barriers, such as union dues or drivers licenses, and then make recommendations that would help the community most.

Ms. Garcia responded saying the JRI could put a table together of the CBOs who have utilized the Barrier Mitigation Funds showing what it has been for, and what the acceptance and denial of those requests have been for her review.

Commissioner Singh stated that he was not familiar with how the JRI can fix the barrier regarding criminal history.

Ms. Garcia responded that that would be best answered by each of the CBOs that they fund but did indicate that they use a variety of strategies. There is a range of severity with the barriers. She gave as an example obtaining a driver's license and stated that a job-seeker may have never taken the test and for that reason has never had a license. In that case the JRI would assist that job-seeker in going to the DMV and taking the test, getting the training that they need to be able to drive in order to get the license. She stated that sometimes a driver has a number of fines or other legal issues that have put a hold or a suspension on their driver's license. JRI is working with Project20 so those people can do community service in lieu of paying fines in order to remedy some of these issues and each CBO works with different resources out in the community to help people address those barriers. JRI has helped people with mental health or substance abuse barriers to get into inpatient and outpatient treatment programs as well as ongoing counseling to address those issues. She stated that the 18-month report will go into great detail about how all of the barriers are being removed.

Commissioner Singh asked again specifically about how they can remove criminal history for someone who has served time in prison.

Ms. Garcia responded that criminal history is one of the most significant challenges to deal with. They conduct a great deal of job-counseling to those job-seekers in terms of what kinds of employment options they have. If someone is on probation, she stated that there is not much they can do about that. JRI does work with the CBOs to try to expunge a job-seeker's criminal history if that is an option or work with parole or probation. Ms. Garcia stated that they provide funding of $4,000 per job-seeker which provides the CBOs a robust amount of staffing to help people via intense case management and job skills training.

Commissioner Singh stated that he works with the Board of Corrections which has a re-entry program and they are looking for these kinds of barrier-removal programs to work with and stated he would like to talk with Ms. Garcia about this at another time.

Commissioner Anaya asked how many clients were placed in jobs.

Ms. Garcia responded that the grand total of 309 job-seekers have obtained employment.

Commissioner Anaya asked what percentage of those people stayed on the job and for how long.

Ms. Garcia responded that she did not have retention information with her but believed she would be able to generate that from their database. She explained that retention services were not something that was originally included but she understands the importance of having that information.

Commissioner Anaya asked how long the vocational training programs are that JRI offers.

Ms. Garcia responded that the intent of JRI is to connect people to the vocational training programs that are funded through the OEWD. There is a range in time from a couple of months to several months in the training time. She indicated they are still working on a system to track people from the time they leave JRI and their training through job placement and retention. She stated that the training portion of the program is just the first step in a long process.

Commissioner Anaya stated it would be very helpful to know what kinds of training programs are being offered and how long they are.

President Swig indicated that he is also interested in looking into the payment of union dues and suggested following up on Commissioner Covington's idea of instituting a revolving loan and said this should not be a free ride. President Swig stated that he understood the importance of helping people pay their union dues to get the job, but once they are working and if it is a successful placement, they should be able to pay back the loan. President Swig suggested they cover that issue during their meeting on Friday. President Swig went on to thank all involved for their hard work, the presentation and wished them continued success.

(e) Authorizing the Bayview Hunters Point Revolving Loan Program and the allocation of funding in the amount of $1,000,000 to provide loans to business and property owners on Third Street; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 26-2011)

Ricky Tijani, Agency Staff

Speaker: Dorris Vincent did not speak but submitted a speaker card in support of the item.

Vice President Singh put forth a motion to move item 4(e).

Commissioner Anaya seconded Mr. Singh's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER ANAYA, AND UNANIMOUSLY CARRIED, WITH COMMISSIONER COVINGTON ABSTAINING, THAT RESOLUTION NO. 26-2011, AUTHORIZING THE BAYVIEW HUNTERS POINT REVOLVING LOAN PROGRAM AND THE ALLOCATION OF FUNDING IN THE AMOUNT OF $1,000,000 TO PROVIDE LOANS TO BUSINESS AND PROPERTY OWNERS ON THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(f) Authorizing a Loan Agreement with the San Francisco Housing Development Corporation, a non-profit public benefit corporation, in an amount not to exceed $250,000 for tenant and façade improvements for a full-service restaurant in the ground-floor commercial space at 4800 Third Street, and adopting environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 27-2011)

Presenter: Licinia McMorrow, Agency Staff

Speakers: Eskeender Aseged, Owner & Chef of Radio African Kitchen, Cynthia Fields, James Moore, LaShawn Walker, Regina Davis

Commissioner Covington requested an update from Regina Davis on how the sales are going at 4800 Third Street.

Ms. Davis deferred Commissioner Covington' request to Michael.

Mr. Simmons, Project Manager for the 4800 Third Street Development, responded that they have 18 units total, have closed 6 units, with 4 units in contracts, and are continuing to conduct marketing and outreach.

Commissioner Covington indicated that will go a long way to attract more people to take advantage of this opportunity of reasonably priced condominiums in the City. Ms. Covington put forth a motion to move item 4(f).

Commissioner Bustos asked Radio African Kitchen, as an anchor institution and business, to talk to the neighbors and the community leaders and invite them to be a part of the neighborhood because there is not enough of that in the Mission and it has created a lot of tension between some of the long-term residents and those who have just moved in. He asked them to be the light and guide this process. Commissioner Bustos seconded the motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 27-2011, AUTHORIZING A LOAN AGREEMENT WITH THE SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A NON-PROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED $250,000 FOR TENANT AND FAÇADE IMPROVEMENTS FOR A FULL-SERVICE RESTAURANT IN THE GROUND-FLOOR COMMERCIAL SPACE AT 4800 THIRD STREET, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(g) Authorizing a Fifth Amendment to the Amended and Restated Tax Increment Loan Agreement, and a Fourth Amendment to the Disposition and Development Agreement with Green Blended Communities, LLC, a California Limited Liability Corporation, to cancel the Commercial Promissory Note in the amount of $150,000 with the San Francisco Housing Development Corporation, in conjunction with the development of 18 units of low- and moderate-income ownership units and ground floor commercial space at 4800 Third Street; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program. (Resolution No. 28-2011)

Presenter: Pamela Sims, Agency Staff

Speakers: None

Commissioner Covington put forth a motion to move item 4(g).

President Swig stated that he has a problem with this item. He stated, being in business, he too has had deals that didn't work either; it's the cost of doing business. He stated that the promissory note be sustained and if they wanted to restructure the promissory note and make it subordinated to every other piece of debt that is placed on it so that a lender knows that there is no ongoing debt payment obligation, and that it is a back-end obligation on behalf of the owner when there is the opportunity either to pay due to a transaction, or due to a change in economic climate, he would agree to that. He stated forgiving promissory notes is bad policy especially if it doesn't cave a project, he indicated this will not cave this project; this project will continue. President Swig stated that he did not see a pressing dire need to forgive this promissory note and stated he could not support it and is a very bad precedent. He indicated that if they were at risk of losing this project and there were other dire circumstances, he might have a different point of view but in this case, he stated he would vote against this item.

Commissioner Covington asked whether or not there was a sense of urgency about this matter.

Ms. Sims responded that the answer would depend on who you speak with. She indicated that it is important to remember that the San Francisco Development Corporation (SFHDC) is a non-profit entity and that after they entered into this agreement, the market totally changed. She also stated that it is important to remember that they did include their developer fee they would have received for the development of the units above, as well as the commercial space. To date the Agency has not seen anything for the development of the units or the commercial space. Ms. Sims stated that in hindsight it was probably not the best deal; however, having the note over encumbers the property.

Vice President Singh stated that he agreed with President Swig and that the note should not be forgiven.

President Swig again recommended that they structure a deal where the note is subordinated to a back-end where it does not present any barrier to a lender and where it doesn't cost the developer any ongoing fees or any further stress, but he did not think it would sustain so he would like to see it reworked.

Mr. Lee offered to try to explain their reasoning for recommending the cancellation of the note. He stated that it is based on whether they have over-encumbered the true value of the parcel and this is based on their prior experience in their affordable housing program. Many years ago the Agency was involved in a lawsuit where they had structured subordinate debt on units and had basically over-encumbered the property and they lost that lawsuit and thus, they were not allowed to over-encumber the property. They followed that same principle in this case where, if you put a $150,000 note on that property valued at $235,000, there is still some excess value but they were also trying to maintain the developer fee for SFHDC and not put too much debt on the property. The $250,000 that was authorized for the Radio African Kitchen is not a loan to Radio African Kitchen, but it is a loan to SFHDC, which is also encumbering the property. Mr. Lee explained that they were concerned about putting too much debt on the property and affecting the cash flow from the property that would go to SFHDC which is basically their developer fee for working on the development of not only the commercial space but the 18 units above. He stated that should the commission decide or direct the staff to structure the note in a subordinate manner, they would consider that but would have to consult with their legal staff about whether they are able to actually over-encumber the property.

President Swig stated that they are bouncing off the bottom hopefully and the point of view on many appraisals and valuations today is at an all-time low and believes that San Francisco is on a rebound for commercial office and retail space and employment is down to 9.5%, albeit not in Bayview Hunters Point or on Third Street, but there is positive growth in the city and he stated he would advocate some patience on this and revisiting this issue a year from now, he may have a different point of view if indeed if that valuation stays the same. But he said it was too early to pull the plug and did acknowledge Mr. Olsen's point but he still said no.

Commissioner Covington stated that there was a motion but no second so the motion dies for lack of a second.

MOTION: COMMISSIONER COVINGTON MADE A MOTION TO ADOPT ITEM 4(g), THERE WAS NO SECOND, THE MOTION DIES.

(h) Authorizing a Third Amendment to the Tax Increment Loan Agreement, and a Second Amendment to the Disposition and Development Agreement, with Armstrong Townhomes, LLC, a California Limited Liability Corporation, to modify the schedule of performance, and to modify and increase the budget by $9,630,088, for a total amount not to exceed $34,117,133; in conjunction with the development of 124 low-and moderate-income ownership units; 5600 Third Street; Bayview Hunter's Point Redevelopment Project Area; Citywide Tax Increment Housing Program. (Resolution No. 29-2011)

Presenter: Pamela Sims, Agency Staff

Commissioner Bustos asked about the $400,000 going towards marketing and outreach and wanted clarification that if there has already been a lot of outreach to the churches and other organizations, how do they know that another $400,000 will be enough and what will be different.

Ms. Sims responded that there was a lull period where anything they would try would dead end but with the market changing and there has been an increase in traffic at the site on weekends, there is continued interest; the energy is back in the market.

Commissioner Bustos asked if the pricing of the homes would decrease with this lull in activity.

Pamela Sims responded that they did not anticipate reducing the price of the units.

Commissioner Singh asked the size of the units.

Pamela Sims did not know the answer but deferred to Bridge Housing staff for the answer.

Mr. Kevin Griffith responded that the size of the units are 2 or 3 story units ranging from 2-4 bedrooms, with square footages ranging from a little over 1100 sq. ft. to over 1800 sq. ft.

Commissioner Singh asked what the total square footage of all units was.

Mr. Griffith replied he would have to do the math to answer that question but repeated the range of the square footage of each unit.

Commissioner Singh clarified that he wanted to know the cost of construction per square foot.

Mr. Griffith stated that he did not have that information with him but could provide that information at a later time. The total construction cost for the 124 units was approximately $40 million.

Commissioner Singh stated that if the price was less than $300,000/unit, how much was the selling price?

Mr. Griffiths said that the average sales price was in the mid-$200,000 range, but that these were below market units which are affordable to families and are sold at below market cost in order to provide low-housing opportunity.

Commissioner Singh stated that he thought they were pretty expensive. He asked how many of the units were four-bedrooms.

Mr. Griffiths responded that 25 of the units were four-bedrooms, 52 of the units had three bedrooms and the remainder was two bedrooms. He stated there were no one bedroom units.

Commissioner Singh again stated that he thought the units were very expensive.

Mr. Blackwell stated that he wanted to remind the commission that this is a project that they have already provided full construction financing for and have already funded the project and completed it. They have already had to increase the ceiling on income levels so that it would be open to a larger pool of potential buyers for that area. He stated that this item was being brought to the Agency because they have not reached the midway point in terms of sales and as a result, the bank construction loan and the bank that provided the construction loan is ready to leave this project. If the Agency does not provide this bridge loan, the bank with take this project and it will become the property of the bank, not of the Agency, and this would be an outcome the Agency does not want. He stated they will get this money back through the sales of the units if they were to significantly decrease the sales price of these units.

President Swig stated that unlike the previous item, this would be considered a dire situation.

Commissioner Singh agreed and said he was satisfied.

Commissioner Covington stated that they have already put over $24 million into this project and to have the bank walk away with their money did not sit right with her. Ms. Covington put forth a motion to move item 4(h).

Commissioner Bustos seconded the motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 29-2011, AUTHORIZING A THIRD AMENDMENT TO THE TAX INCREMENT LOAN AGREEMENT, AND A SECOND AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT, WITH ARMSTRONG TOWNHOMES, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, TO MODIFY THE SCHEDULE OF PERFORMANCE, AND TO MODIFY AND INCREASE THE BUDGET BY $9,630,088, FOR A TOTAL AMOUNT NOT TO EXCEED $34,117,133; IN CONJUNCTION WITH THE DEVELOPMENT OF 124 LOW- AND MODERATE-INCOME OWNDERSHIP UNITS; 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

(i) Authorizing a three-year Garage Management Agreement with Pacific Park Management Inc., a California corporation, for a base fee of $12,000 a year for the operation and management of the Agency-owned public parking garage, consistent with the Agency's May 18, 2004 Disposition and Development Agreement for the site, at the Fillmore Heritage Center at 1310 Fillmore Street. (Resolution No. 30-2011)

Presenter: Tracy Reynolds, Agency Staff

Speakers: Fred Naranjo, Behailu Mekbib, Sam Tadesse, Jed Silver, Wendy Proctor, Moneta White

Commissioner Bustos commended Agency staff for their work on this project as well as Pacific Park Management Inc. Mr. Bustos put forth a motion to move item 4(i).

Commissioner Covington seconded Mr. Bustos' motion.

President Swig stated he also supported this item and asked Mr. Blackwell to comment on the issue of survival of a garage, in particular the Common Area Maintenance (CAM) charges. President Swig stated that they have a lot invested in this building and he wanted to know what has been done to work with the owner and the management of this building to lower the CAM charges instead of simply just saying, "oh, it's a problem", and placing that burden on the Agency and the parking operators. He stated that he would like to have an audit of the CAM charges if possible or an explanation from the building owner because he said he had a feeling that it could be managed better.

Mr. Blackwell deferred to Tracy Reynolds but indicated that an audit had already been done.

Tracy Reynolds stated that an audit had not been done; however, last year Agency staff spent a considerable amount of time going through the HOA budget for the building. The Agency previously did not have a good working relationship with the property management firm that ran the building, Cityscape, and the HOA board but has since, with changes in management of Cityscape as well as the HOA board, the relationship has greatly improved with a better opportunity for Agency staff to comment on the budget and have more input into the budget. Originally she said she was also suspicious of the CAM charges, especially since she was not happy with Cityscape's operation of the building but they spent many hours going through each line item and she stated that the CAM charges and the entire budget are streamlined. She thought that the CAM charges might go down this year. Ms. Reynolds reiterated that this is a building that has a lot of expenses in terms of security and utilities because it is a mixed-use building that has a jazz club and two restaurants which has costs associated with it.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO 30-2011, AUTHORIZING A THREE-YEAR GARAGE MANAGEMENT AGREEMENT WITH PACIFIC PARK MANAGEMENT INC., A CALIFORNIA CORPORATION, FOR A BASE FEE OF $12,000 A YEAR FOR THE OPERATION AND MANAGEMENT OF THE AGENCY-OWNED PUBLIC PARKING GARAGE, CONSISTENT WITH THE AGENCY'S MAY 18, 2004 DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE SITE, AT THE FILLMORE HERITAGE CENTER AT 1310 FILLMORE STREET, BE ADOPTED.

Agenda Items 4(j, k, & l) were presented together, but acted on separately

(j) Authorizing the execution and delivery of a Multifamily Housing Revenue Note, in an aggregate principal amount not to exceed Forty One Million and no/100 dollars ($41,000,000) to assist HV Partners 1, L.P., a California limited partnership, for the financing of the acquisition and construction of affordable residential rental facilities known as Hunters View Phase I at Middle Point and West Point Roads (Block 4624, Lots 3, 4 & 9 and Block 4720, Lot 27), authorizing and approving related actions and authorizing the execution and delivery of related documents and adopting environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program (Resolution No. 31-2011)

(k) Authorizing a Second Amendment to the Second Amended and Restated Loan Agreement with Hunters View Partners 1, L.P., a California limited partnership, to modify the terms and conditions of the Agency loan agreement, Hunters View Housing Development Phase Ia, Middle Point and West Point Roads (Block 4624, Lots 3, 4 & 9 and Block 4720, Lot 27); Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program. (Resolution No. 32-2011)

(l) Authorizing an Agency Payment Obligation Agreement with HV Partners 1, L.P., a California limited partnership, and Citibank, NA, a National Banking Association, to guarantee an amount up to $9,631,252 in construction loan payments to Citibank, NA, for the construction of 80 public housing replacement units and 27 low-income rental units known as Phase Ia of Hunters View; Middle Point and West Point Roads (Block 4624, Lots 3, 4 & 9 and Block 4720, Lot 27); Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program. (Resolution No. 33-2011)

Presenter: Erin Carson, Agency Staff

Speaker: Dorris Vincent (speaking on behalf of Mr. Angelo King)

Commissioner Singh put forth a motion to move item 4(j, k, & l).

Commissioner Anaya seconded Mr. Singh's motions.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER ANAYA AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 31-2011, AUTHORIZING THE EXECUTION AND DELIVERY OF A MULTIFAMILY HOUSING REVENUE NOTE, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED FORTY-ONE MILLION AND NO/100 DOLLARS ($41,000,000) TO ASSIST HV PARTNERS 1, L.P. A CALIFORNIA LIMITED PARTNERSHIP, FOR THE FINANCING OF THE ACQUISITION AND CONSTRUCTION OF AFFORDABLE RESIDENTIAL RENTAL FACILITIES KNOWN AS HUNTERS VIEW PHASE I AT MIDDLE POINT AND WEST POINT ROADS (BLOCK 4624, LOTS 3, 4 & 9 AND BLOCK 4720, LOT 27), AUTHORIZING AND APPROVING RELATED ACTIONS AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENT QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM; RESOLUTION NO. 32-2011, AUTHORIZING A SECOND AMENDMENT TO THE SECOND AMENDED AND RESTATED LOAN AGREEMENT WITH HUNTERS VIEW PARTNERS 1, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO MODIFY THE TMERS AND CONDITIONS OF THE AGENCY LOAN AGREEMENT, HUNTERS VIEW HOUSING DEVELOPMENT PHASE IA, MIDDLE POINT AND WEST POINT ROADS (BLOCK 4624, LOTS 3, 4 & 9 AND BLOCK 4720, LOT 27); BAYVIEW HUNTERS POINTS REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM; AND, RESOLUTION NO. 33-2011, AUTHORIZING AN AGENCY PAYMENT OBLIGATION AGREEMENT WITH HV PARTNERS 1, L.P. A CALIFORNIA LIMITED PARTNERSHIP, AND CITIBANK, NA, A NATIONAL BANKING ASSOCIATION, TO GUARANTEE AN AMOUNT UP TO $9,631,252 IN CONSTRUCTION LOAN PAYMENTS TO CITIBANK, NA, FOR THE CONSTRUCTION OF 80 PUBLIC HOUSING REPLACEMENT UNITS AND 27 LOW-INCOME RENTAL UNITS KNOWS AS PHASE IA OF HUNTERS VIEW; MIDDLE POINT AND WEST POINT ROADS (BLOCK 4624, LOTS 3, 4 & 9 AND

BLOCK 4720, LOT 27); BAYVIEW HUNTERS POINTS REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA: None**

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS: None**

7. **REPORT OF THE PRESIDENT:**
   - President Swig reported that they have a firm date on a retreat which is April 26th at the South Beach Harbor. Mr. Swig thanked the Executive Director for all of his hard work and dedication trying to find the proper solution during this very difficult time at the Agency. Not only is running the Agency probably one of the toughest jobs in the city but under the circumstances with all that is going on in Sacramento, Mr. Swig wanted to especially commend the Executive Director. He stated that he would like the public to know that Mr. Blackwell and his staff as well as the Mayor's office and other related agencies have worked hard to support the Governor in reaching his goals while still sustaining the Agency's role in sustaining growth in the community. Unfortunately there are some deaf ears in Sacramento, including those who represent our city as elected officials, who need to hear some sense and know that the Agency is a different entity than many of the agencies throughout the state and be more supportive of the initiatives that are being presented. He reasserted that the Executive Director has done an extraordinary job.

8. **REPORT OF THE EXECUTIVE DIRECTOR:**
   - Mr. Blackwell reported that the staff at the Agency has been working very hard and moving our agenda through the process through these trying times. Mr. Blackwell reported that since the last time they met there has not been a lot of action but there have been many meetings. He has been working very closely with Senator Leno's staff at the Department of Finance (DOF) and with the Governor's staff to make changes to the DOF's language to ensure that any existing obligations are able to be carried out in the event that the legislature ends up supporting the Governor's proposal. Mr. Blackwell indicated that at first scan it did not look like they had gotten many of the changes that they were advocating for incorporating into this bill. He had been told there could be trailer pieces of legislation to this language for further clarification of things already in there but as of today he could not report much progress. The legislature will need 2/3 support from both the Assembly and the Senate in order to move forward in support of the Governor's proposal and Mr. Blackwell indicated that he thought it would

come down to negotiations with the Republicans in both those houses. Retention of Redevelopment is one of the negotiating items and they have asked the Agency to come up with an alternative financial proposal for the Governor. The CRA offered up a two-tiered proposal in which one tier allows agencies to voluntarily commit up to 10% in a new pass-through to schools. That 10% or below would be a commitment of a new pass-through for 10 years which, for every percentage point that an agency offers up, they get one year of planning extension. If you offer up 10% for a pass-through, you get 10 years in terms of additional planning life. The second tier is a one-time voluntary redirection of the 20% funds that would be contributed to low- and moderate-income development, which would be redirected to the schools, in exchange for a two-year plan extension. CRA thinks that they will be able to generate up to $2.7 billion over the ten-year period which is less than what the Governor thinks he can get through the abolishment of Redevelopment but because of its voluntary nature gets around the Prop 22 barriers. Also, because it does not require bonding it doesn't run up against the Prop 58 prohibition for the state to issue debt in order to balance its budget. CRA believes that it is a constitutionally-valid proposal. It is being offered up by the five Republicans that the Governor is courting as an alternative to his proposal.

9. **COMMISSIONERS' QUESTIONS AND MATTERS: None.**

10. **CLOSED SESSION: None.**

11. **ADJOURNMENT:**

The meeting was adjourned by Commissioner Singh and seconded by Commissioner King, and unanimously carried that the meeting be adjourned at 8:40 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

JUNE 21, 2011

MINUTES OF A SPECIAL MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 29th DAY MARCH OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 5:00 p.m. on the 29th day of March 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 5:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

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1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Miguel M. Bustos
Francee Covington
Leroy King
Agnes Briones Ubalde
Rosario M. Anaya

And the following were absent:

Darshan Singh, Vice President

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Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.

No Reportable Action.

3. **MATTERS OF UNFINISHED BUSINESS**. None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA :

(a) Authorizing a First Amendment to the Amended and Restated Housing Opportunities for Persons with AIDS Capital Loan Agreement with The Black Coalition on AIDS, a California nonprofit public benefit corporation, to reallocate funds among line items, in conjunction with the rehabilitation of 11-beds of transitional housing, 1761 Turk Street; Housing Opportunities for Persons with AIDS Program. (Resolution No. 34-2011)

(b) Authorizing a First Amendment to the Housing Opportunities for Persons with AIDS Rental Assistance Agreement with the Housing Authority of the City and County of San Francisco to extend the Agreement for 18 months from July 1, 2011 to December 31, 2012, and to increase compensation by an amount not to exceed $4,875,000, for a total aggregate amount not to exceed $14,625,000, to provide rental subsidies and administration; HOPWA Rental Assistance Program; Housing Opportunities for Persons with AIDS Program. (Resolution No. 35-2011)

(c) Authorizing a First Amendment to the Housing Opportunities for Persons with AIDS Supportive Services Agreement with Catholic Charities/Catholic Youth Organization, a California nonprofit public benefit corporation, to extend the Agreement for 18 months from July 1, 2011 to December 31, 2012, and to increase compensation by an amount not to exceed $398,585, for a total aggregate amount not to exceed $1,178,585 to provide supportive services; HOPWA Rental Assistance Program; Housing Opportunities for Persons with AIDS Program. (Resolution No. 36-2011)

(d) Authorizing a Letter Agreement with the City and County of San Francisco Acting, by and through its Department of Public Works, in an amount not to exceed $61,500 for contract administration, construction bid management, and project closeout for the Arelious Walker Drive Stairway Improvement Project and making findings required by Health and Safety Code Section 33445; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 37-2011)

Commissioner Covington set forth a motion to move these items.

Commissioner Bustos seconded Ms. Covington's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 34-2011, AUTHORIZING A FIRST AMENDMENT TO THE AMENDED AND RESTATED HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS CAPITAL LOAN AGREEMENT WITH THE BLACK COALITION ON AIDS, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO REALLOCATE

FUNDS AMONG LINE ITEMS, IN CONJUNCTION WITH THE REHABILITATION OF 11-BEDS OF TRANSITIONAL HOUSING, 1761 TURK STREET; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM; RESOLUTION NO. 35-2011, AUTHORIZING A FIRST AMENDMENT TO THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS RENTAL ASSISTANCE AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO TO EXTEND THE AGREEMENT FOR 18 MONTHS FROM JULY 1, 2011 TO DECEMBER 31, 2012, AND TO INCREASE COMPENSATION BY AN AMOUNT NOT TO EXCEED $4,875,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $14,625,000, TO PROVIDE RENTAL SUBSIDIES AND ADMINISTRATION; HOPWA RENTAL ASSISTANCE PROGRAM; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM; RESOLUTION NO. 36-2011, AUTHORIZING A FIRST AMENDMENT TO THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES/CATHOLIC YOUTH ORGANIZATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE AGREEMENT FOR 18 MONTHS FROM JULY 1, 2011 TO DECEMBER 31, 2012, AND TO INCREASE COMPENSATION BY AN AMOUNT NOT TO EXCEED $398,585, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $1,178,585 TO PROVIDE SUPPORTIVE SERVICES; HOPWA RENTAL ASSISTANCE PROGRAM; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM; AND RESOLUTION NO. 37-2011, AUTHORIZING A LETTER AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO ACTING, BY AND THROUGH ITS DEPARTMENT OF PUBLIC WORKS, IN AN AMOUNT NOT TO EXCEED $61,500 FOR CONTRACT ADMINISTRATION, CONSTRUCTION BID MANAGEMENT, AND PROJECT CLOSEOUT FOR THE ARELIOUS WALKER DRIVE STAIRWAY IMPROVEMENT PROJECT AND MAKING FINDINGS REQUIRED BY HEALTH AND SAFETY CODE SECTION 33445; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

(e) Authorizing a Predevelopment Loan Agreement with Double Rock Ventures, LLC, a Delaware limited liability company, in the amount of $3,000,000, for master planning and predevelopment activities related to the construction of 256 public housing units, a one-for-one replacement, and the construction of 248 additional units of low-income family rental housing; Alice Griffith public housing site, 211 Cameron Way, and adopting environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 38-2011)

Presenter: Kate Hartley, Agency Staff

Speakers: Jarhonda Jone, Roanai Kent, Kathy Perry, Ace Washington, Oscar James

Commissioner Bustos indicated that this was a great day because the dream for Alice Griffith to have decent, dignified housing is coming to fruition. Mr. Bustos requested that they make sure that hiring be done from the people in the community who live there and to share in building a legacy. Mr. Bustos indicated that he thought the newsletter was a good idea to communicate information about the project. Mr. Bustos put for a motion to move the item.

Commissioner King seconded Mr. Bustos' motion.

Commissioner Covington encouraged Urban Strategies (US) to focus on the strengths of the community to bring this to fruition. Ms. Covington asked Ms. Hartley about union initiation fees and dues and transportation money that were included as items in the handout. Ms. Covington indicated that those items are included in the monies that are given to the CBO's as part of the job readiness program. Ms. Covington asked Ms. Hartley if the Agency is giving money to four different entities for the same thing.

Ms. Hartley stated that she could not speak to the expenditures of all the entities that they fund; however, she stated that there needed to be flexibility on site with the ability to nimbly respond to tenants' needs. For example, she stated that there had been a situation where US was on site and a job opportunity came up very suddenly with short notice for some residents who needed to travel and they needed financial assistance to get some clipper cards to be able to travel to the job and back. Ms. Hartley indicated that they have a small amount of money and with that kind of fund available US can easily help residents get to where they need to go. She stated that there are a number of needs that come up on a daily basis at Alice Griffith and other public housing sites and that this money represents a very small percentage of the overall loan to facilitate assistance to tenants.

Commissioner Covington responded that everything Ms. Hartley was talking about is already established through the job readiness and barrier removal program that the Agency has been funding. Ms. Covington asked the Director Blackwell to respond to her question.

Director Blackwell stated what he thought was at issue was making sure that the Agency is not duplicating efforts with what is already being funded through the JRI and indicated that he would make sure that that does not happen.

Commissioner Covington stated that she would like people to be directed to the JRI because that is exactly why it exists and that is why the Agency is spending almost $5 million on that program, and in addition, the barrier removal component is very important and there are childcare concerns as well. Ms. Covington indicated that she does not want to have so many satellite operations and that they should just focus on the CBO's that already exist. Ms. Covington indicated that with the understanding that there is a need for flexibility to get people where they need to go, they still should not leap over established programs that the Agency is already funding.

Ms. Hartley assured Ms. Covington that that is not happening and that they are working extensively with the CBO's and operating through the established programs, which are the main vehicles by which they hope to assist residents to get to barrier removal, job training and job placement. Ms. Hartley indicated that this small amount of money, approximately $40,000, represents a little bit of TLC and sometimes when one has gone through the job training program and they realize that they need to get to a job but don't have that money on the clipper card, it is nice for the social services entity of the Agency to be able to give that extra assistance and that is what these monies will do. Ms. Hartley indicated that this is more of a case management approach where they have onsite staff that is there to help; it is all very well documented and is not a loose arrangement.

Commissioner Covington asked about the reporting timeframe for all the programs as it relates to when do they hear from US, how many people they have serviced, what the outcomes were, what the challenges were, etc.

Director Blackwell responded that the way these grants have been structured in the past is that they have actually used the Mayor's Office of Community Investment and Housing as the conduit for the money. He indicated that they do that because the Mayor's office has a reporting system in place that is basically a reimbursement system so service providers submit those numbers and outcomes around who they are serving and then they get reimbursed for those costs. Director Blackwell indicated that the reporting will correspond with payment.

Commissioner Covington asked Ms. Hartley about whether each time they are dealing with a particular project on a particular population, be it workforce, market rate housing, do they come to the Agency for those funds.

Ms. Hartley responded not exactly. She indicated that the Alice Griffith site, when expanded to include additional lands that are not currently owned by Housing Authority, will be approximately 27 acres. On that site there will be six buildings which will be the Alice Griffiths affordable housing units and the new affordable housing units which will be funded through a combination of Agency funds and Lennar subsidies, tax credits, etc. in the normal vehicle for financing affordable housing except that the Agency has Lennar subsidy and every one of those will require multiple commission actions for approval. Lennar will be developing the market rate housing and the workforce housing without any Agency funding and that will require Housing Authority approval because they will be building on Housing Authority land and will not require Agency approval.

President Swig indicated how thrilled the commission was to see this project coming to fruition and stated that this was a great and historical day and he apologized to those residents who had to live in that area in the conditions that have existed. Mr. Swig indicated that the living situation in Alice Griffiths could be equated to human rights abuse and he was very happy to see this item pass today. Mr. Swig asked that the residents and the developer join hand in hand and understand that they are always on the same side of the table to make this project successful and that the developer listen very carefully to what the residents have to say in that they want jobs and also that the residents be sympathetic to some of the challenges that the developer faces at the same time. Mr. Swig stated that Mr. Bustos agreed to give way to Mr. King so that Mr. King may move this item forward with Mr. Bustos' second.

ADOPTION: IT WAS MOVED BY COMMISSIONER KING, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 38-2011, AUTHORIZING A PREDEVELOPMENT LOAN AGREEMENT WITH DOUBLE ROCK VENTURES, LLC, A DELAWARE LIMITED LIABILITY COMPANY, IN THE AMOUNT OF $3,000,000, FOR MASTER PLANNING AND PREDEVELOPMENT ACTIVITIES RELATED TO THE CONSTRUCTION OF 256 PUBLIC HOUSING UNITS, A ONE-FOR-ONE REPLACEMENT, AND THE CONSTRUCTION OF 248 ADDITIONAL UNITS OF LOW-INCOME FAMILY RENTAL HOUSING; ALICE GRIFFITH PUBLIC HOUSING SITE, 211 CAMERON WAY, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

AGENDA ITEMS 4(f) – 4(h) WERE PRESENTED TOGETHER, BUT ACTED ON SEPARATELY

(f) Authorizing an Amended and Restated Permanent Loan Agreement with Mercy Housing California XLIV, a California limited partnership, and related documents, in an amount not to exceed $39,131,442, for the development of 150 units of very low- and low-income family rental housing at 1180 Fourth Street (Block 13 East) by Mercy Housing California XLIV, a California limited partnership, and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area, Citywide Tax Increment Housing Program. (Resolution No. 39-2011)

(g) Authorizing a Ground Lease with Mercy Housing California XLIV, a California limited partnership and authorizing actions related to the transfer of land to the Agency, for an initial term of 65 years, in conjunction with the development of 150 units of very low- and low-income family rental housing at 1180 Fourth Street (Block 13 East) by Mercy Housing California XLIV, a California limited partnership, and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area. (Resolution No. 40-2011)

(h) Expressing the intent of the Redevelopment Agency of the City and County of San Francisco to issue multifamily mortgage revenue bonds in one or more series in an amount not to exceed $50,000,000 to finance the construction of residential facilities located at 1180 Fourth Street at Parcel 13 East; Mission Bay South Redevelopment Project Area; Agency Citywide Affordable Housing Program. (Resolution No. 41-2011)

Presenter: Jeff White, Agency Staff

Speaker: Corinne Woods; Barbara Gualco, Mercy Housing

Commissioner Ubalde expressed her desire to support this effort and was particularly pleased about the fact that there will be a community center as well as an onsite family childcare center for the area's residents and for the community because it is so difficult to find affordable childcare for both infants and toddlers. Ms. Ubalde asked how many children will be covered under the childcare center and for what ages.

Mr. White clarified that it will not actually be a childcare center but two units that are dedicated for family childcare providers and he anticipates each of the units serving approximately 10, depending on licensing requirements and that they will serve infants to pre-school age. Mr. White indicated that they have the same small family childcare service model in Mission Bay also.

Commissioner Ubalde reminded the developers and the community about the promotion of locally-owned neighborhood serving retail. As they are looking to attract retail in the area, Ms. Ubalde encouraged them to look at trying to promote locally-owned businesses to occupy those spaces. Ms. Ubalde indicated her experience in working with small businesses in the city and expressed how difficult it can be to identify locally-serving businesses but she reiterated that there are many small business centers here in the city looking for available space, which would love to be located in the Mission Bay area. Ms. Ubalde set forth a motion to move this item.

Commissioner Covington wanted to know if the design and colors of the building were coming back to the commission.

Mr. White stated that they were not planning on bringing those items back to the commission. He stated that their typical practice is to take the comments they get from the CAC and the commission and once the project is under construction, they do mock-ups.

Ms. Covington wanted to make sure that it was coming back to the commission for some jazzing up.

Mr. White indicated that that would be the procedure.

Ms. Covington seconded Ms. Ubalde's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER UBALDE, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 39-2011, AUTHORIZING AN AMENDED AND RESTATED PERMANENT LOAN AGREEMENT WITH MERCY HOUSING CALIFORNIA XLIV, A CALIFORNIA LIMITED PARTNERSHIP, AND RELATED DOCUMENTS, IN AN AMOUNT NOT TO EXCEED $39,131,442, FOR THE DEVELOPMENT OF 150 UNITS OF VERY LOW- AND LOW-INCOME FAMILY RENTAL HOUSING AT 1180 FOURTH STREET (BLOCK 13 EAST) BY MERCY HOUSING CALIFORNIA XLIV, A CALIFORNIA LIMITED PARTNERSHIP, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA

ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, CITYWIDE TAX INCREMENT HOUSING PROGRAM; RESOLUTION NO. 40-2011, AUTHORIZING A GROUND LEASE WITH MERCY HOUSING CALIFORNIA XLIV, A CALIFORNIA LIMITED PARTNERSHIP AND AUTHORIZING ACTIONS RELATED TO THE TRANSFER OF LAND TO THE AGENCY, FOR AN INITIAL TERM OF 65 YEARS, IN CONJUNCTION WITH THE DEVELOPMENT OF 150 UNITS OF VERY LOW- AND LOW-INCOME FAMILY RENTAL HOUSING AT 1180 FOURTH STREET (BLOCK 13 EAST) BY MERCY HOUSING CALIFORNIA XLIV, A CALIFORNIA LIMITED PARTNERSHIP, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA; AND, RESOLUTION NO. 41-2011, EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES IN AN AMOUNT NOT TO EXCEED $50,000,000 TO FINANCE THE CONSTRUCTION OF RESIDENTIAL FACILITIES LOCATED AT 1180 FOURTH STREET AT PARCEL 13 EAST; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA; AGENCY CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

(i) Authorizing a Fourth Amendment to the Agreement for Operation of a Museum Facility with the Museum of the African Diaspora, a California nonprofit public benefit corporation that would add $553,000 in new funding for the museum located on a portion of Parcel EB-2A for capital improvements. (Resolution No. 42-2011)

Presenter: Stephen Maduli-Williams, Agency Staff; Grace Stanislaw, Head MoAD; Philip Fremont, Fremont Architects; Joe Zenus, Principal.

Commissioner Covington expressed her delight in the strides that MoAD has made in terms of their organizational structure and their presentations over the time that Ms. Stanislaw has been at the helm. Ms. Covington spoke about Textural Rhythms at MOAD and that it has a fabulous exhibition about jazz. Ms. Covington set forth a motion to move this item.

Commissioner Bustos seconded Ms. Covington's motion.

Commissioner Anaya was delighted in hearing that they will be concentrating on working with local firms and asked what efforts are needed in order to hire local firms.

Mr. Maduli-Williams stated that the initial part of this contract was roughly $50,000 to begin the preliminary design work and as part of the process, any vendors are required to do a three-phone telephone solicitation among contractors. He stated that Ms. Stanislaw had interviewed a total of four firms and ultimately chose Fremont Architects because she felt they were in the best position to help MoAD move forward. Mr. Maduli-Williams reported that there was outreach to three other minority-owned local architects and there will be a local architect added to the team.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, WITH ONE ABSTENTION, THAT RESOLUTION NO. 42-2011, AUTHORIZING A FOURTH AMENDMENT TO THE AGREEMENT FOR OPERATION OF A MUSEUM FACILITY WITH THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION THAT WOULD ADD $553,000 IN NEW FUNDING FOR THE MUSEUM LOCATED ON A PORTION OF PARCEL EB-2A FOR CAPITAL IMPROVEMENTS, BE ADOPTED.

5. MATTERS NOT APPEARING ON AGENDA: None

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.

Speakers: Genese Hughes, Lea Otis Martins, Tesse Ester, Alex Tomisson, Oscar James

7. REPORT OF THE PRESIDENT:

- President Swig welcomed back Commissioner Ubalde and congratulated her on the birth of her child and offered his best wishes for the future. Mr. Swig reiterated that this was a special meeting and reviewed the rest of the meeting schedule, including the retreat in April. Mr. Swig asked anybody in the community, organized labor or citizens, if they believe in redevelopment and want to allow the continuance of the good work of the Agency, that their voices must be heard in Sacramento.
- In reference to the discussion regarding Urban Strategies (US), Mr. Swig reminded everyone that one of the pitfalls originally identified in bringing in US was that they were from St. Louis and that in dealing with San Francisco issues, they might conduct their hiring practices in a way foreign to San Francisco practices. Mr. Swig reiterated that the Agency would not be happy seeing people brought in from other areas of the country, but rather wants people from San Francisco to work in San Francisco. Mr. Swig also remarked on the conditions of the units discussed during the meeting and stated that even though those issues may fall under the auspices of the Housing Authority, the Agency commissioners would like the residents of those areas to be recognized by the Housing Authority and would like a review by the Housing Authority on those issues.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Director Blackwell stated that there was not much new to report regarding the Governor's budget since the last meeting. Mr. Blackwell indicated that there had not been a vote in either house of the legislature because the votes were not there to eliminate redevelopment. This proposal required a 2/3 vote and neither house is supporting elimination of redevelopment. The content of the Governor's proposal could be changed to call for a majority vote rather than a 2/3 vote, if the Governor were to change the language in a way that did not require the redirection of tax increment to the state rather than to the traditional tax entities which would get those dollars. If the Governor were to make that change, the legislature would just be voting on the elimination of redevelopment and the benefits to the state would be substantially less than currently drafted. The retention of redevelopment is one of 53 things that the Republican caucus has delivered to the Governor and talks are ongoing. There are two proposals that the Republicans have as alternatives to elimination: one is being put forth by the California Redevelopment Association (CRA) and the second by the City of Long Beach, both of which are voluntary and have a two-tier structure. One tier is a voluntary 10% pass-through either to the state or to the schools and the other tier that involves redirection of the 20% set aside for low and moderate income housing. The CRA proposal on the affordable housing side is a one-year redirection statewide directly to schools. The Long Beach plan is a more extended, permanent redirection of the 20% low/moderate funds, a portion of which would go to the state and a portion of which would go into a pool fund, which jurisdictions would compete for in order to access affordable housing dollars. Mr. Blackwell indicated that this situation is bringing a lot of uncertainty into the work of the Agency staff; however, quality of work remains very high. Mr. Blackwell indicated that he is meeting with union leaders weekly to keep them informed of what is going on and that good communication continues with the unions and staff to keep everyone up to date.

- Mr. Swig commended all the staff for their continued excellent work and acknowledged how difficult it is working with a big ax hanging over everyone's necks.

9. **COMMISSIONERS' QUESTIONS AND MATTERS:** None

10. **CLOSED SESSION**: PURSUANT TO GOVERNMENT CODE § 54957.6 TO CONFER WITH AGENCY DESIGNATED REPRESENTATIVES REGARDING NEGOTIATIONS WITH 1) THE INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS (IFPTE) LOCAL 21 REPRESENTING THE ENGINEERS AND ARCHITECTS BARGAINING UNIT, THE MANAGEMENT/SUPERVISORY BARGAINING UNIT, AND THE PROFESSIONAL/ TECHNICAL BARGAINING UNIT; AND 2) THE SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU) LOCAL 1021 REPRESENTING A MISCELLANEOUS EMPLOYEES BARGAINING UNIT. AGENCY NEGOTIATORS: FRED BLACKWELL, AMY LEE, DIANE IWATA, AND JAMES MORALES

11. ADJOURNMENT:

It was moved by Commissioner King, seconded by Commissioner Covington, and unanimously carried that the meeting be adjourned at 6:40 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

AUGUST 2, 2011

4a

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 5th DAY APRIL OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 5th day of April 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Francee Covington
Leroy King
Agnes Briones Ubalde

And the following were absent:

Miguel M. Bustos

Fred Blackwell, Executive Director, and staff members were also present.

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2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** No Reportable Action.

3. **MATTERS OF UNFINISHED BUSINESS**. None.

4. **MATTERS OF NEW BUSINESS:**

REGULAR AGENDA

(a) Authorizing a First Amendment to a Letter Agreement with the Office of Economic and Workforce Development to administer the SF Shines Façade and Tenant Improvement Program to roll over $95,574 from a previous term and add an additional $250,000, for a total amount not to exceed $845,574; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 43-2011)

Presenter: Licinia McMorrow, Agency Staff

Speakers: Dorris Vincent

Vice President Singh put forth a motion to move item 4(a).

Commissioner Covington seconded Mr. Singh's motion.

Commissioner Anaya asked what was being done for the underserved members of the community that have barriers through employment and need job training.

Ms. McMorrow indicated that this particular program does not provide additional funding for people with barriers through employment; it is focused on construction and improvement of existing businesses.

Commissioner Anaya asked: (1) if anyone who receives these types of funds has a commitment to hire people from the community; (2) are those positions first identified, and (3) if those positions are identified, are they asked what type of training they require in order to get those positions.

Ms. McMorrow stated the program targets existing businesses and is focused on business retention. As a result of improvements and/or growth of the business, they would be subjected to, on a voluntary basis, the Bayview employment and contracting policy. There are contracting requirements where the business participating in seeking grant funds would have to acquire three bids for the scope of their projects, one of which has to be from 94124. Ms. McMorrow stated in so far as businesses complying with the ECP, they would have to make a good faith effort to hire 50% of their employees from the project area.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 43-2011, AUTHORIZING A FIRST AMENDMENT TO A LETTER AGREEMENT WITH THE OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT TO ADMINISTER THE SF SHINES FAÇADE AND TENANT IMPROVEMENT PROGRAM TO ROLL OVER $95,574 FROM A PREVIOUS TERM AND ADD AN ADDITIONAL $250,000, FOR A TOTAL AMOUNT NOT TO EXCEED $845,574; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(b) Authorizing a Letter Agreement with the City and County of San Francisco, acting by and through its Department of Public Works, in an amount not to exceed $350,000, for planning, project management, preliminary engineering and design, and federal environmental review of the Bayview Transportation Improvements Project; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 44-2011)

Presenter: Wells Lawson, OEWD

Speakers: Dorris Vincent

Commissioner Anaya put forth a motion to move item 4(b).

Vice President Singh seconded Ms. Anaya's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER ANAYA, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 44-2011, AUTHORIZING A LETTER AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROU++GH ITS DEPARTMENT OF PUBLIC WORKS, IN AN AMOUNT NOT TO EXCEED $350,000, FOR PLANNING, PROJECT MANAGEMENT, PRELIMINARY ENGINEERING AND DESIGN, AND FEDERAL ENVIRONMENTAL REVIEW OF THE BAYVIEW TRANSPORTATION IMPROVEMENTS PROJECT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

AGENDA ITEMS 4(c) AND (d) WERE PRESENTED TOGETHER, BUT ACTED ON SEPARATELY

(c) Conditionally approving a combined Basic Conceptual and Schematic Design for a one-story modular real estate sales and marketing office to be built and operated by HPS Development Co. LP, a Delaware limited partnership, on Agency-owned land and adopting environmental findings pursuant to the California Environmental Quality Act; Hunters Point Shipyard Redevelopment Project Area. (Resolution No. 45-2011)

(d) Authorizing a Second Amendment to the Interim Lease with HPS Development Co. LP, a Delaware limited partnership, to build and operate a real estate sales and marketing office on Agency-owned land (Block 56) under terms that include an initial five-year term with five one-year options and an annual rent payment of $12,000 and adopting environmental findings pursuant to the California Environmental Quality Act; Hunters Point Shipyard Redevelopment Project Area. (Resolution No. 46-2011)

Presenter: Thor Kaslofsky, Agency Staff

Speakers: None

Commissioner Covington asked how the $1,000 per month lease amount was determined.

Mr. Kaslofsky stated public access allowing meetings to occur at the Welcome Center, as well as the beautification of the area, hosting, and paying for the installation of the art piece, it was determined that $1,000 per month was the appropriate rent for the site.

Commissioner Covington asked what they were envisioning as community events on the particular site.

Ms. Lynn Bell of Lennar stated they are envisioning community and the business social mixers, art workshops, cultural events that would engage the immediate local community.

Commissioner Covington asked for more information on cultural events.

Ms. Bell envisioned Dr. Rose's young dance troupe who have performed for many years in the community, having a community event at the Center and engaging not only the local community but the expanded community of San Francisco to participate in some of these events to connect the local community with the more expanded community. She envisions it as large opportunities for them to have events that create an opportunity to network and then interlink this

community which, to some degree, has been isolated with the expanded community of San Francisco.

Commissioner Covington asked if the modular building can be reconfigured internally to accommodate a dance performance and audience.

Ms. Bell indicated that there is a large flat L shaped decking area with stairs that can accommodate a large amount of people with a kitchen that's been built that can extend to the outside so it will provide them the opportunity to do catering. Events they envision can be smaller intimate events to much larger events that can accommodate up to 200 people.

Commissioner Covington asked for information on the irrigation for the plantings

Mr. Lum stated watering of the plants will be a drip irrigation system.

Commissioner Covington asked how many real estate offices are anticipated on the Shipyard. Ms. Covington stated she was asking this question because there have been a number of realtors from the Bayview area who have attended various Commission meetings and requested that they be included in the sales of the units either as a broker or agents. Ms. Covington asked if the center was for Lennar's use only or would there be other offices.

Ms. Bell stated it will be an information center/master sale center. She indicated that not only would it be the initial sales opportunity for Lennar on the blocks that they would be building and selling, but also for other builders that would be coming in; this would be their initial center.

Commissioner Covington asked if this would be in phases or co-exist in the same space.

Ms. Bell stated at this stage, since there are no other participating builders that have purchased any other blocks, it would be just them but at some stage other builders will be utilizing the center as well. It will be the initial center for selling, but depending on what the market will be at the time they launch sales, it could be that each one of the blocks they are building on may have a small sales location as well.

Commissioner Covington asked when they expect the building to be up and running.

Ms. Bell indicated the center will coincide with the construction of the building at the same time they begin construction of block 50. As far as installation of the building, that date has yet to be determined.

Mr. Kaslofsky stated the term of the agreement would start no sooner than the construction of the building, and the construction has to start within the next 18 months. It is their hope to start construction by the end of this year subject to the market and financing for Blocks 50 and 51.

Commissioner Covington asked if Tabernacle and other builders are anticipating having their own offices or will they be going into the master office.

Mr. Kaslofsky stated Block 51 which is the Tabernacle group, has over 180 units and believes they would eventually have their own sale center.

Commissioner Covington put forth a motion to move Item 4(c) and 4(d)

Commissioner Ubalde asked how many parking spaces are available for both Lennar staff and people attending community events that will be held.

Mr. Kaslofsky stated on site there are 5 parking spaces for staff, one reserved for ADA, and 34 parking spaces on the street within walking distance. There are close to 80 parking spaces around the Innes Court Driveway.

Commissioner Ubalde asked what the operating hours were.

Mr. Kaslofsky stated the center would be open normal business hours, five days a week, with events ending at 8pm, and CAC meetings starting at 6 pm and ending between 8-9pm.

Commissioner Ubalde seconded Ms. Covington's motion.

Commissioner Anaya asked if the CAC was given an opportunity to make recommendations regarding the project.

Mr. Kaslofsky stated the CAC did not have too many recommendations and had no reservations about moving the project forward; they were very supportive.

President Swig asked for clarification of when construction would start.

Mr. Kaslofsky stated construction will have to begin within 18 months, potentially 28 months. Construction of the facility is being tied to the construction of Blocks 50 & 51, and is dependent upon the financing of the two blocks when construction will start.

President Swig indicated by his estimation on the facts given, that would mean construction would begin July-August 2013. Mr. Swig expressed that he and his fellow Commissioners are very anxious to move construction forward in Bayview Hunters Point and will be relentless about pushing to get construction started.

Director Blackwell stated the construction of the center will coincide with the construction of Blocks 50 and 51. The next action relative to Blocks 50 & 51, which will give a clearer sense of when construction will begin, are the vertical disposition and development agreements for those blocks which the Agency's attorney and Lennar's attorney are currently reviewing the documents. That will be signal to the Commission and the public when the vertical construction will be taking place. Mr. Blackwell indicated that one aspect is to have the disposition and development agreements ready, but most importantly, have Lennar's financing in place to go forward with the construction. The financial market is not what it was a few years ago and there is a fair amount of uncertainty with regard to timing and terms of financing for the first two blocks, which is the reason why the Commission is getting an open ended answer to their question of when construction will start on the center.

President Swig stated that he and his fellow Commissioners would like to see the project move forward and will do nothing to stand in the way of getting the project up, running and active, and out of the ground.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER UBALDE, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 45-2011, CONDITIONALLY APPROVING A COMBINED BASIC CONCEPTUAL AND SCHEMATIC DESIGN FOR A ONE-STORY MODULAR REAL ESTATE SALES AND MARKETING OFFICE TO BE BUILT AND OPERATED BY HPS DEVELOPMENT CO. LP, A DELAWARE LIMITED PARTNERSHIP, ON AGENCY-OWNED LAND AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER UBALDE, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 46-2011, AUTHORIZING A SECOND AMENDMENT TO THE INTERIM LEASE WITH HPS DEVELOPMENT CO. LP, A DELAWARE LIMITED PARTNERSHIP, TO BUILD AND OPERATE A REAL ESTATE SALES AND MARKETING OFFICE ON AGENCY-OWNED LAND (BLOCK 56) UNDER TERMS THAT INCLUDE AN INITIAL FIVE-YEAR TERM WITH FIVE ONE-YEAR OPTIONS AND AN ANNUAL RENT PAYMENT OF $12,000 AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON AGENDA: **None**

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS: Ace Washington

7. REPORT OF THE PRESIDENT:

- President Swig advised the listening public audience that their opportunity to take control of the future is in their hands by sending emails, writing notes, telephone, and contacting their assemblymen, State Senators, or Governor's office to show their discomfort with the concept of banning redevelopment agencies in California, especially the San Francisco Redevelopment Agency. Mr. Swig asked the public to continue lobbying Sacramento to express and show their support of continuation of the San Francisco Redevelopment Agency.
- President Swig reminded the public that the Commissioners Retreat is scheduled April 26th, from 9am – 3pm at the South Beach Harbor; the public is invited to attend.

8. REPORT OF THE EXECUTIVE DIRECTOR:

(a) *Update on Governor's proposal to dissolve Redevelopment Agencies*

- Director Blackwell reported that the California Redevelopment Association conference was held in San Jose for three days filled with informative workshops on workforce development, affordable housing, to implementation of public/private partnerships, and strategies for infill development. Staff from the Redevelopment Agency was well represented as presenters on a number of panels.

- Director Blackwell indicated that there was nothing new to report in terms of Sacramento. There has not been any action taken in either house of the legislator due to 2/3 votes required to eliminate redevelopment agencies and redirect the property tax dollars; those votes are not there. There is speculation that the Governor may redraft the bills in a way that would allow for a majority vote to eliminate Redevelopment but the financial benefits to the State of such a maneuver would be diminished. Mr. Blackwell indicated that everything he is hearing at this point suggests, given the stall in budget talks in Sacramento, there probably will not be any action until June.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

10. CLOSED SESSION: **(a)** Pursuant to Government Code § 54957.6 to confer with Agency designated representatives regarding negotiations with 1) the International Federation of Professional and Technical Engineers (IFPTE) Local 21 representing the Engineers and Architects bargaining unit, the Management/Supervisory bargaining unit, and the Professional/ Technical bargaining unit; and 2) the Service Employees International Union (SEIU) Local 1021 representing a miscellaneous employees bargaining unit. Agency negotiators: Fred Blackwell, Amy Lee, Diane Iwata, and James Morales; **(b)** Pursuant to Government Code §54957.6 to confer with Agency's designated representatives regarding negotiations with unrepresented employees: Deputy Executive Directors, Agency General Counsel; Human Resources Manager, Commission Secretary, Executive Assistant to Executive Director. Agency negotiator: Fred Blackwell.

11. ADJOURNMENT:

It was moved by Commissioner King, seconded by Commissioner Singh, and unanimously carried that the meeting be adjourned at 5:30 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

JULY 5, 2011

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 19TH DAY APRIL OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 19th day of April 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Miguel M. Bustos
Francee Covington
Leroy King

And the following were absent:

Agnes Briones Ubalde

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Fred Blackwell, Executive Director, and staff members were also present.

2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** No Reportable Action.

3. **MATTERS OF UNFINISHED BUSINESS**. None.

4. MATTERS OF NEW BUSINESS:

REGULAR AGENDA

(a) Authorizing a Second Amendment to the Ground Lease Agreement with the City and County of San Francisco to extend the lease term for two years, for a total five-year term, ending September 1, 2015, for a portion of Assessor's Parcel 0817, Lot 30, known as Central Freeway Parcel K; Citywide Tax Increment Housing Program. (Resolution No. 47-2011)

Presenter: Sally Oerth, Agency Staff

Commissioner Bustos commended Agency staff and the Mayor's office for their hard work and creativity on this project and for providing a second amendment so that vendors have some sense of security of their time there. Mr. Bustos set forth a motion to move this item.

Commissioner Singh seconded Mr. Bustos' motion.

Commissioner Covington indicated that she had been by the area and saw many people in line for the ice cream and also noticed a Mexican food truck at the site. Ms. Covington wanted to know how many more mobile food vendors will be at the site and how they are being selected.

Rich Hillis, Office of Economic and Workforce Development, responded that vendors are being selected by the developer but do have some input in suggesting potential operators for the space. They have so far selected two ice cream vendors, a coffee vendor and there are still three more food vendors as well as eight small retail spaces. Both the ice cream vendor and the Mexican food vendor, which is a mobile food truck, are provided by La Cocina, who they have a relationship with. The OEWD has also brought them into contact with their program with Urban Solutions and La Cocina to train individuals and potential future business owners in the Western Addition/ Fillmore area and they want to link the developers with that project. He mentioned that the mobile food vendors will be rotated in and out.

Commissioner Covington inquired if the food vendors will be mostly trucks or will some be prefab buildings like the ice cream vendors.

Mr. Hillis responded that it will be a combination.

Commissioner Covington inquired as to how the businesses on Fillmore Street as well as some of the businesses on Sixth Street that have poured a great deal of energy and money into, take part in that rotation, if they want to, and how do they interface with those businesses that they already have under the Agency's administrative umbrella.

Mr. Hillis responded that they are already doing that through Urban Solutions through the Fillmore grant and that they would be happy to work with Urban Solutions for the Sixth Street businesses as well.

President Swig inquired about who takes ownership and who is responsible for maintaining the cleanliness and clean-up trash control of the area, since with food vendors they provide napkins and paper and a lot of disposable items.

Mr. Hillis responded that the developer would be responsible for those items.

President Swig asked how the developer would be held accountable as people will be buying ice cream and then very probably wander on to Hayes Street or go into the park and with that, the disposables will wander with them. Mr. Swig inquired as to who will pay for the cost of clean-up. He wished everyone success in this venture and if it becomes a hit, which Commissioner Covington indicated that the first weekend was, there will be hundreds of people dining there every day, now that the weather is nice. However, Mr. Swig indicated that he would hate for the merchants who are permanent on that street to suffer from the disposables left from the temporary merchants. He indicated that he wanted to see added into the resolution or into the agreement some accommodation for maintaining garbage control.

Mr. Hillis responded that he would be happy to add to the lease with the operator a provision that they provide them with a plan on how trash is being dealt with.

President Swig also inquired about what would happen if in five years the Agency or the developer wants to build what was originally intended to be there, which is a housing project, and then at that time the neighborhood objects. Mr. Swig wanted to know what the fail safes are that will ensure that this is a rock solid five year lease and no matter how successful the project is now, there will be no problems if everything changes in five years.

Mr. Hillis responded that they had advertised this as an interim use originally and have spoken to the project sponsor about how they need to adhere to that program and that whenever the Agency wanted to build on this site, they could lift the crates and move the site. Mr. Hillis indicated that this issue was clearly stated in the lease. He also indicated that the impetus for this came out of the design competition held in conjunction with the Agency for some of these lots and the design that won for Parcel K showed housing with no parking but it was basically an open space on the ground floor, a flexible retail space. So to some extent if the Agency were to build something like that, much of what is there currently could go into that kind of flexible space. They were envisioning more of a farmer's market type space or a retail market type space so in some sense they took from that design competition to come up with the current idea.

President Swig indicated that the Agency would not want to encumber the developer or the Agency with an instant San Francisco tradition which is less than 5 years old in what is the best development situation for that site. Mr. Swig requested that counsel supply first, what is needed in this resolution to handle the clean-up accountability to keep this area from harming the rest of the neighborhood and second, requested if this resolution in counsel's view is rock-solid with regard to the clarity that once this lease is over, its use for the next five years is terminated until the next use can be determined.

General Counsel Morales stated that he was satisfied with the resolution that expresses the intent that President Swig brought forth. Regarding the first question, General Counsel Morales responded that he believed a better vehicle for imposing those terms is the lease itself. The resolution, which is not a contract between the Agency and the tenants, is not the best way to do that; but rather the lease is the best way to do that. If the Agency can ensure that the lease contains those terms, then they have something that they can enforce against the tenants.

President Swig inquired if the Agency will see that lease again.

Mr. Hillis responded that it was not their intent for the Agency to see the lease again but stated that the Agency could direct his office to work with Director Blackwell to come up with a provision to put in both the Agency's lease with OEWD and with OEWD's lease with the project sponsor.

President Swig asked that that be considered a formal request so that surrounding neighborhoods are not encumbered with the garbage from the disposable containers sold at the site.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 47-2011, AUTHORIZING A SECOND AMENDMENT TO THE GROUND LEASE AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO TO EXTEND THE LEASE TERM FOR TWO YEARS, FOR A TOTAL FIVE-YEAR TERM, ENDING SEPTEMBER 1, 2015, FOR A PORTION OF ASSESSOR'S PARCEL 0817, LOT 30, KNOWN AS CENTRAL FREEWAY PARCEL K; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

(b) Workshop on the Agency's Fiscal Year 2011-12 Budget

Presenters: (Agency Staff) Amy Lee, Olsen Lee, Sally Oerth, Amy Neches, Thor Kaslofsky, Tiffany Bohee, Vanessa Dandridge, Kelley Kahn, Courtney Pash, Lisa Zayes- Chien, Christina Garcia.

Commissioner Bustos indicated that at the beginning of the presentation, he was feeling somewhat depressed and as each person came forth with their presentation, he became more hopeful and praised each of the presenters for all the hard work and passion they put into their work every day. Mr. Bustos was passionate about holding Senator Mark Leno, Assemblywoman Fiona Ma, and all the supervisors accountable for all that there is at stake if anything happens to redevelopment. Mr. Bustos stated that all our elected officials need to know about the wonderful work the Agency has been doing in helping getting people jobs, giving them an opportunity to be able to provide for their families, and getting them from homelessness to hopefulness.

Commissioner Covington echoed the sentiment expressed by Mr. Bustos and was happy to have had the opportunity to work with all the staff members over the years and the fruits of their efforts are evident in the city. Ms. Covington inquired about when they will be notified if their application for the $120 million for Hunters Point Shipyard from the Department of Transportation (DOT) will be accepted.

Ms. Bohee responded that they are in the process of completing the application and working with the Secretary of Transportation and Rita Pelosi to put a package together which they expect to submit by this summer. Ms. Bohee indicated that the actual loan closing probably will not happen until fall 2011.

Commissioner Covington inquired if the $120 million is the amount that is available to all four of the respondents or is that what the Agency is applying for.

Ms. Bohee responded that the $120 million is just what the Agency is applying for, which is the smallest amount of the four. They are looking to leverage the resources the developer would put in, future tax increment, Mello Roos, and this would jumpstart that. They get the authorization for the $120 million as they expect by the end of the year and the first drawdown on this loan would be $17 million going towards transportation, engineering, planning work, much of what has already been done, that the developer would be reimbursed for early in advance of the tax increment flowing.

Commissioner Covington inquired about repayment requirements if the Agency were to get the loan.

Ms. Bohee responded that the repayment terms are under negotiation and have been for several months but what they have proposed to DOT, and to which DOT is quite receptive, is that the repayment obligation would not come into play until the last phase of the transportation improvements is completed, which is not until 2025. The Agency would negotiate interest and right now they have proposed the most favorable terms. The developer would pay back those funds with land sales or proceeds but DOT wants an assurance that the increment would be there in accordance with the projections. Mello Roos would be here but the risk for the Agency is quite low because the developer would pay back DOT with those funds directly.

Commissioner Covington inquired about Mission Bays 3,126 housing units that have been completed and what the number of total housing units would be when all is done.

Ms. Bohee responded 6,000 units.

Commissioner Covington inquired as to the reference to the Emporium site plan at Yerba Buena Center (YBC) and asked for an explanation.

Ms. Neches responded that the overall redevelopment plan for YBC, the Emporium site plan, was adopted in 1966, and is where the old Emporium store was located from Market to Mission Streets, and now is a new area that was added in 2003 and is called the Emporium site sub-area. Although the rest of YBC expired this past year, the sub-area for that plan continues. However, the use of tax-increment dollars from that sub-area under the terms of the redevelopment plan are restricted to work within that area, which is done, and affordable housing. Therefore, all funds from that area, although it continues under the Agency's jurisdiction, are used for affordable housing.

Commissioner Covington asked for clarification as to how long they have been in YBC and was it for 45 years.

Ms. Neches responded that it started in 1966 and extended twice and this was the final extension.

Commissioner Covington extended her thanks to Mr. Blackwell for his leadership in the Agency.

Commissioner Anaya requested that they not make it sound so much like a goodbye. Ms. Anaya also recognized the great work accomplished by the staff and Director Blackwell. Ms. Anaya stated that not until she became a Commissioner of the Redevelopment Agency, she was not aware of the extent of the work that redevelopment did and stressed that the Agency should make it their mission to make sure that everybody knows what redevelopment has done for this city. Ms. Anaya requested that Director Blackwell give a report regarding the number of home ownership units that they have in fact contracted through redevelopment during the past two years. Ms. Anaya inquired if they have some kind of form that they apply to the budget for workforce development and wanted to know how they come up with a figure. She asked if they apply that to every program or just some programs. Ms. Anaya inquired as to what they are doing with regards to workforce development. She asked if they know the number of jobs that each construction unit creates. In regards to JRI, vis-à-vis vocational training, Ms. Anaya inquired as to whether that is two different training programs—the workforce development program, JRI and the vocational training program to serve the underserved. Ms. Anaya stated that JRI, because of the length of the program, it serves those who are almost ready to go a job through the actual training, but wanted to know what is being done to address the training for the underserved, people that do not have a high-school diploma and who need more training.

Director Blackwell stated that he would need to get back to her on her inquiries since he did not have them on hand.

President Swig asked Director Blackwell if the Sacramento shenanigans were not going on, did he think the budget or this scope of work would look different.

Director Blackwell responded that if current events were not going on in Sacramento, they would probably be presenting a more robust budget because they have spent the last four months or so clearing out their pipeline rather than negotiating new real estate deals. Also, because the Governor's proposal, while it has not moved forward and gotten the votes that it has needed, it has been done quite a bit of damage already. It has created uncertainty in the market, has made their bond issuances more expensive, and has created reluctance on the part of developers who are partners to spend the kind of money that they would spend normally to move or advance projects from a pre-development or soft cost point of view. However, there still exists much work that they have budgeted for in previous years that continues to move forward in many of the project areas and so, as it is not as robust a budget as they might be presenting, this is by no means a budget that insinuates a reduced amount of work or not enough work to move forward over the next year. Mr. Blackwell also stated that their most challenging project area to work with is Bayview Hunters Point and that area would be challenging whether or not things were happening in Sacramento. It is the only project area where they have seen a decline in assessed values and the amount as a result of tax increment coming from that area. Other areas have either held steady or increased over the past couple of years. As seen by Ms. Dandridge's presentation, is their attempt to combine tax increment with grant funds with the sale of properties in the Bayview so that they can have the kind of program that the Bayview community wants and expects from the Agency.

President Swig again inquired as to what the presentation would have looked like if the shenanigans in Sacramento were not going on. It seems that with regard to the Bayview Hunters Point project, Mr. Swig indicated he would have expected to see more vertical activity and asked Mr. Blackwell if that were true.

Director Blackwell clarified that Mr. Swig was referring to the Shipyard rather than Bayview Hunters Point. Mr. Blackwell stated that finding the financing for the Shipyard vertical work was difficult before the situation in Sacramento and it was made more difficult by the uncertainty created there. However, Mr. Blackwell indicated that he was at a retreat with Mr. Bonner, the lead person at Lennar and Mr. Bonner was still aggressively pursuing financing. Mr. Blackwell indicated that there are still a few hot leads that he is working on. He referred to one breakthrough over the past week when they were in Sacramento trying to close the deal on the transfer of state property that will be necessary to implement the shipyard program. The Governor's staff from the Department of Finance spoke about the shipyard project as the kind of thing that redevelopment should be doing and exactly the kind of thing that they were not trying to stop when they proposed the elimination of redevelopment. Mr.

Blackwell stated that that was very helpful in terms of moving that project forward.

President. Swig once again inquired about workforce development, in terms of jobs, and related topics He referred to Christina Garcia, his fellow commissioners, and Mr. Maduli-Williams who has dedicated his life to Elations, and stated that these individuals have worked very hard to tee up all these workforce programs in anticipation of more jobs based on everybody else's work. Mr. Swig inquired as to how many jobs have the shenanigans in Sacramento stopped from happening in fiscal year 2011-2012.

Director Blackwell responded that that was a difficult question to answer in detail but could respond in general. Mr. Blackwell indicated that their construction investments annually result in about 3,000 construction jobs per year. Last year about 34% of those jobs went to San Francisco residents, which would be about 800-900 jobs and totaling approximately $9 million in general earnings and money that would probably have been spent in San Francisco and produced a substantial portion of sales tax revenue. For Blocks 51, 52, 53 of the Shipyard, there are a few more hundred jobs, a third of which would go to San Francisco, so approximately 100 construction jobs. Mr. Blackwell indicated that indirectly there are thousands of jobs created in Mission Bay and other areas that are non-construction, like biosciences, retail, maintenance, etc., so it would be safe to say the number of jobs at risk is in the thousands in San Francisco.

President Swig stated that he wanted to follow on Mr. Bustos' comments with regard to the Agency's representation in Sacramento. One of the principal duties of Ms. Ma, Mr. Leño, Mr. Lee, and others who represent the Agency in Sacramento is to sustain the workforce in San Francisco and the public needs to provide feedback about how much the lack of advocacy that these legislators are displaying is negatively impacting the city. At least 1,000 jobs will be prevented from happening in 2011-12 because of the shenanigans being played out in Sacramento. Mr. Swig stated that legislators are expected to lie across railroad tracks for their constituents in San Francisco and that the San Francisco public needs to understand that they are probably not being represented very well at this moment by their elected officials. Mr. Swig stated that the public needs to remind those elected officials to protect their constituents and be more aggressive in their advocacy of saving and creating jobs in San Francisco. Mr. Swig inquired about the fact that the largest committed amount of $1,854,000 under design construction of infrastructure and other physical improvements happens to be in the closed redevelopment area of YBC.

Ms. Neches responded that it was part of separate account budget in YBC. The Agency owns and is responsible for a large amount of public improvements there, including the gardens and the Children's Improvement Center for the Arts, and they have capital renewal costs that they expend every year. The particular plan there for next year is to fund some required repair work for the

Martin Luther King Jr. Fountain and the expansion joint that connects it to the lobby level of Moscone North which needs repair after many years. The fund is for the design for this, which they have been working on. Ms. Neches clarified that this is not tax increment revenue but rather is part of the reserves that are part of the separate account from the lease revenues from YBC properties.

President Swig stated that years before he had worked on the tourism improvement district initiative, whereby a ½% fee is added onto hotel bills for repairs to Moscone Center, which is matched by COP, and is for improvement work inside the convention center. This fee amounts to about $5 million annually brought into the city and, although it is not within the Agency's budget, Mr. Swig wanted to make the point that the Agency created that asset and wanted to make sure it is paid attention to. Mr. Swig indicated that they should show some appreciation to the people in the hotel business, which had the vision to support that initiative which adds $5 million annually to the care of Moscone Center. Mr. Swig also asked Ms. Dandridge about a line in her presentation which was about recalibrating the model block. Mr. Swig requested clarification on what recalibration was.

Ms. Dandridge responded that this came about as a result of a presentation they made to the Agency on the first model block streetscape improvement program, which was an extremely ambitious program, of which $600,000 was funded, and included an EPA grant. It involved traffic calming measures and greening and there was concern by the Agency about the ability to replicate that very ambitious pilot project area-wide. Recalibration refers to them working with the planning staff at MTA this year to figure out what the second phase of the model block will look like. Ms. Dandridge stated that they have had some internal discussions about doing less ambitious projects but making the program available to multiple blocks at one time.

President Swig asked Ms. Kahn about Visitacion Valley and her previous remark that it was a transit village development, of which one of the key components was a Caltrans station that is right next to the area. Mr. Swig had heard recently that they are considering abandoning that stop. Mr. Swig wanted to know if that was something to be concerned about.

Ms. Kahn responded that it was something they should be worried about now. Ms. Kahn stated that this is a really important aspect of the development which will provide service for that community. Ms. Kahn indicated that they are in the initial stages of dialogue and that they have inserted themselves into that issue because there is a concern about that now.

President Swig inquired if there is funding to have staff initiatives related to interfacing with Caltrans to imply that they are making improper judgments regarding the closure of that station.

Ms. Kahn responded that this is wrapped up in the project management staffing obligations for this project so the budget item seen here of staff time being covered by the master developer is definitely a dimension of the Agency's work that the master developer should fund.

Commissioner Bustos inquired about the shenanigans in Sacramento and the threat of elimination of redevelopment as known today. Mr. Bustos inquired about whether the Agency has a responsibility to meet with all the folks that live in Agency housing and with all the people that either rent or own in Agency project areas, those being Hunters Point, Alice Griffith, Mission Bay, Visitacion Valley, Yerba Buena, and talk to that constituency to let them know that the Agency may be leaving and that projects will stop and that things that they had hoped would be happening will no longer be happening or won't happen as fast as they would like. Mr. Bustos stated that the Agency has an obligation to let the other constituency, like labor, know that these potential jobs that would have happened will not happen. Mr. Bustos indicated that we are lucky in San Francisco that our elected leaders, like Senator Mark Leno, happen to hold key spots on committees like finance. Mr. Bustos indicated that the Agency should conduct some outreach because, in his opinion, they have nothing to lose and everything to gain.

Director Blackwell responded that Mr. Bustos was correct and for that reason, a few things have already been done: there is a newsletter that has recently been put out to the Agency's constituencies to let them know what was going on in Sacramento and to let them know what was at stake. Mr. Blackwell indicated that he has made numerous presentations at various community forums about what is happening. Last week he met with the shipyard CAC and has had numerous meetings at Bayview about this issue. Mr. Blackwell stated that they have not gotten to the point that Mr. Bustos suggests which is to make it viral in some way, but they have been making the rounds.

Commissioner Bustos responded that he would like to join Mr. Blackwell and any of the staff at some of the community meetings to share in this discussion, because he felt it is part of their responsibility as a commission to look after the health and well-being of not only the commission and staff, but also the people who benefit from the Agency's services and what redevelopment provides to this city. Mr. Bustos pointed out that he was not being political but rather wanted to educate people about how the process works and about who may be responsible for this, such as key members that have been elected in the city to represent the Agency in Sacramento, and who actually do hold key positions, like finance, which could save redevelopment and allow all the great progress to continue.

Director Blackwell stated that he had forgotten to mention that the unions within the Agency have actually been very active as well. Local 21 just met with Senator Leno last week and brought with them to that meeting people from Bayview and Yerba Buena, as well as some affordable housing developers. Mr. Blackwell indicated that in addition to the things he was doing from a management point of view, the unions have been active as well.

Commissioner Bustos stated that this was good to hear because of the short window of time and he hoped that they could take advantage of it. Mr. Bustos indicated that he would like to attend the meetings and share his opinions and believed there are other people in some of the areas who would probably like to be there as well.

Commissioner Singh agreed 100% with Mr. Bustos and he thought they should take action so that people know that the Agency does not agree with what is going on in Sacramento. Mr. Singh inquired from Ms. Lee that if there were no shenanigans were taking place in Sacramento, if everything stayed the same, how much debt service the Agency would have at this time.

Ms. Lee responded that the debt service would remain the same despite any shenanigans so right now they are looking at a debt service of $99.4 million that they must pay which is already obligated even with any elimination proposal.

Commissioner Singh inquired as to the interest for the debt service.

Ms. Lee responded that the debt service of $99.4 million reflects prior year bond issuances which range from different interest rates but just recently they were very fortunate in being able to sell some of their bonds for series B & E and they got very good rates--6.75% for the tax exempt and 8.5% for the taxable. In their prior issuance last month, they got a little bit under 7.5% for the tax exempt. Once again there is not that much in the bond market and they were able to take advantage of these rates. Ms. Lee stated that they sold series E on 4/26 and they received 7.5% for the taxable and for the tax exempt they received 6.67%, which are very good rates. The $99.4 million that is part of the Agency's debt service reflects the culmination of various rates that have been issued in the prior year and Ms. Lee was not able to give a specific number.

Commissioner Singh stated that he had read that the day before Standard & Poor had lowered the rate of US bonds and he inquired as to what the Agency's rating was.

Ms. Lee responded that they were fortunate that all their ratings were maintained and deferred to John Daigle, Sr. Financial Analyst, for response.

Mr. Daigle responded that the Agency has three separate credits. He indicated that the Series A & B credits are the main credits which are cross-collateralized and their rating is A. The two other credits, Mission Bay North, rated at A-, and upgraded last September, and Mission Bay South, achieved the first rating of a triple B-.

Commissioner Singh inquired as to how this compares to a couple of years ago.

Mr. Daigle responded that he believed it has been fairly steady, with the exception of Mission Bay North, which was initially a triple B-, like Mission Bay South, when it was young and new. Mr. Daigle stated that it was quite an accomplishment to have the investment grade pop up so quickly into the A range for a new small project area like that, which was impressive. Mr. Daigle stated that the rating agency stated that they expected Mission Bay South to take a similar projectory, which is unusual for them to make a statement like that.

Commissioner Singh inquired whether the amount of debt service that the Agency owes is $90 million.

Ms. Lee responded that the Agency's debt service payment for next fiscal year is $99.4 million, which reflects prior debt issuance on the payments that are made for 2011-12.

President Swig echoed the comments of the other commissioners in his appreciation of Director Blackwell and staff for all the efforts in putting together the presentation and budget and wished everyone a great fiscal 2011-12 as well as wishes that they will be there a year from now approving the 2012-13 budget.

Commissioner Singh asked that a round of applause be given to Director Blackwell for all his hard work.

(c) Authorizing a Phase II-III Rental Housing Loan Agreement with Hunters View Associates, L.P., a California limited partnership, in an aggregate amount not to exceed $31,406,982 and adopting environmental findings pursuant to the California Environmental Quality Act; in conjunction with the Phase II-III construction of very low and low income rental units, Hunters View Housing development, Middle Point and West Point Roads; Bayview Hunters Point Redevelopment Project Area, Citywide Tax Increment Housing Program. (Resolution No. 48-2011)

Presenter: Erin Carson, Agency staff

Commissioner Covington expressed her excitement about hearing that 41% of the people working at Hunters View come from Hunters View. Ms. Covington stated that the workforce development team has been waiting to hear about figures like that and those figures continue to improve. Ms. Covington stated that they had seen some of those people come before the Agency for public comment and they are changed--so excited to be working, so proud to be working and the Agency is excited and proud of them as well. Ms. Covington indicated that she had a conversation with one of the people working in the office at Hunters View who mentioned that this is having a wonderful ripple effect and that it has created a new vibrancy in the complex. Ms. Covington set forth a motion to move this item. She stated that she thought it was critical that they designate the monies and encumber the funds so that they can complete the project.

Commissioner Singh seconded Ms. Covington's motion.

President Swig asked Director Blackwell if it was time for some of the commissioners to take a road trip to visit Hunters View.

Director Blackwell indicated that he thought they should wait a little while until there is more vertical progress.

President Swig asked for a reminder when the time is right.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 48-2011, AUTHORIZING A PHASE II-III RENTAL HOUSING LOAN AGREEMENT WITH HUNTERS VIEW ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, IN AN AGGREGATE AMOUNT NOT TO EXCEED $31,406,982 AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; IN CONJUNCTION WITH THE PHASE II-III CONSTRUCTION OF VERY LOW AND LOW INCOME RENTAL UNITS, HUNTERS VIEW HOUSING DEVELOPMENT, MIDDLE POINT AND WEST POINT ROADS; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

(d) Authorizing a Ground Lease Agreement with Third & LeConte Associates, L.P., a California limited partnership, for the development of 73 units of very low-income supportive rental housing, 1075 LeConte Avenue (formerly known as 6600 Third Street); Bayview Hunters Point Redevelopment Project Area. (Resolution No. 49-2011)

Presenter: Kate Hartley, Agency Staff

Commissioner Covington reminded the commissioners that a few months back she had requested from Ms. Hartley and the mayoral staff an inclusion for those youthful members of the community who are aging out of the foster care system. Ms. Covington stated that she was very happy to see things moving forward with great speed and that her request has been granted. Ms. Covington reiterated her support for this effort and stated that she can't wait until the groundbreaking and the opening. Ms. Covington set forth a motion to move this item.

Commissioner Bustos seconded Ms. Covington's motion.

Commissioner Singh inquired as to who the developers were on this project.

Ms. Hartley responded that the tax credit limited partnership that is the site specific developer, is named Third and LeConte Associates, which is an affiliate of Mercy Housing California and the Providence Foundation. They are the members and when they get their tax credit allocation, they will bring on a limited investor.

Commissioner Singh inquired as to whether they are here or not.

Ms. Hartley responded yes.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 49-2011, AUTHORIZING A GROUND LEASE AGREEMENT WITH THIRD & LECONTE ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR THE DEVELOPMENT OF 73 UNITS OF VERY LOW-INCOME SUPPORTIVE RENTAL HOUSING, 1075 LECONTE AVENUE (FORMERLY KNOWN AS 6600 THIRD STREET); BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

AGENDA ITEMS 4(e) & (f) WERE PRESENTED TOGETHER, BUT ACTED ON SEPARATELY

(e) Authorizing a Tax Increment Loan Agreement with 474 Natoma LLC , a California limited liability company, in an amount not to exceed $12,870,713, for a total aggregate amount not to exceed $15,470,713, for the development of approximately 60 units of low-income rental housing, 474 Natoma Street; South of Market Redevelopment Project Area, Citywide Tax Increment Housing Program. (Resolution No. 50-2011)

(f) Authorizing a Ground Lease with 474 Natoma LLC, a California limited liability company, for the development of approximately 60 units of low-income rental housing, 474 Natoma Street; South of Market Redevelopment Project Area, Citywide Tax increment Housing Program. (Resolution No. 51-2011)

Presenter: Elizabeth Colomello, Agency Staff

Speakers: Antoinetta III, Charles Range

Commissioner Bustos put forth a motion to move this item.

Commissioner Singh seconded Mr. Bustos' motion.

Commissioner Anaya inquired what the possibility might be of adding the laundry room the speakers were talking about and what is the protocol was for that.

President Swig responded that the developers were present and asked Ms. Anaya to make the request of the developers.

Mr. Don Lusty from BRIDGE Housing responded that it is not difficult for them to include individual laundry facilities in apartments and that in this project they tried very hard to minimize the Agency's gap funding. He also added that in terms of unit amenities he stated that management prefers that they provide them in all units or none because it creates leasing issues if units have different levels of amenities.

Commissioner Anaya inquired if at this particular time they have in the plan one laundry room per floor.

Mr. Dusty responded that for 60 units they have two laundry rooms—one on the second floor and one on the rooftop with a view of the gardens and an open space with an area for children to play in while their parents are doing laundry.

President Swig inquired if Ms. Anaya would still like Director Blackwell to review the opportunity of adding more.

Commissioner Anaya responded that she would like Director Blackwell to see what is available in terms of dollars.

Commissioner Covington stated that at the plaza they have a gorgeous laundry room on the sixth floor and asked Ms. Colomello if she was familiar with the laundry facility at the plaza.

Ms. Colomello responded that she had been in the laundry facility for the plaza.

Commissioner Covington inquired as to whether Ms. Colomello had received any negative feedback concerning cleanliness of the units or anything like that.

Commissioner Colomello responded no and that laundry rooms are standard for their rental developments and she was not aware of any issues that have come up from the laundry facilities.

Commissioner Covington stated that to inform the ED's decision about which way to go, it might be helpful to get some feedback on the status of two or three of the common laundry rooms that they already have. Ms. Covington stated that she was not advocating for one or the other but thought the idea of having the laundry room on the top floor overlooking the garden with a play area for the children is a very good one.

President Swig inquired of Mr. Lee as to the question raised by Commissioner Covington as to whether there was a consistent standard with regard to laundry rooms.

Mr. Lee responded that generally they do a common laundry room for the rental developments and part of that is due to the ability to maintain them. Having individual laundry rooms in each unit is not reasonable because some of the units are small, such as Studios I and II, so space is being taken away to facilitate laundry equipment. Not all the rentals are family-sized units. Mr. Lee indicated that part of it is consolidating that function into a smaller space so that the units are then upgraded for utilities and the other part is the question of maintenance of and plumbing for the laundry rooms. Mr. Lee stated that many of the developers basically lease the machines and those machines are serviced by the owners of the machines and the proceeds are shared between the owner of the building and the providers of the laundry machines. That setup is much more difficult in a situation where the laundry facilities are within each individual unit where they obviously cannot be coin-operated. Mr. Lee stated that there are a variety of reasons why they typically have a common laundry room facility but indicated that he would look at both the practice of the industry as well as check to see if they have any rental developments with laundry facilities in each unit. His perception is that they will find a common laundry room for those reasons.

President Swig stated that he assumed there is a significant cost with building the infrastructure of plumbing, electrical, etc. for each unit.

Mr. Lee added that plumbing for each unit would have to be provided and that the other issue is the ongoing maintenance of the laundry machines and whether there are leaks in the machines. Mr. Lee stated that if you have a leak in a laundry room area where there are drains, the leak is easier to control than a laundry machine leaking in an individual apartment. Mr. Lee indicated that both the market-rate and affordable housing industry have gone towards the common laundry room areas.

President Swig asked if the size of the studio was about 475 sq. ft.

Ms. Colomello responded that the studio was 462 sq. ft. in this development.

President Swig stated that even if you install a small vertical closet for laundry facility, you would lose 5-10 sq. ft. in that already small unit.

Commissioner Anaya wanted to take the opportunity to thank Mr. Range for the wonderful job he has done with the facility, which Ms. Anaya stated she had been able to visit and was very impressed with it. Ms. Anaya stated that they have a medical assistant program in their facility and she wished they were going to have the same facility for the community. Ms. Anaya congratulated Mr. Range and stated that she looked forward to visiting the area again.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 50-2011, AUTHORIZING A TAX

INCREMENT LOAN AGREEMENT WITH 474 NATOMA LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, IN AN AMOUNT NOT TO EXCEED $12,870,713, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $15,470,713, FOR THE DEVELOPMENT OF APPROXIMATELY 60 UNITS OF LOW-INCOME RENTAL HOUSING, 474 NATOMA STREET; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, CITYWIDE TAX INCREMENT HOUSING PROGRAM; AND THAT RESOLUTION NO. 51-2011, AUTHORIZING A GROUND LEASE WITH 474 NATOMA LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DEVELOPMENT OF APPROXIMATELY 60 UNITS OF LOW-INCOME RENTAL HOUSING, 474 NATOMA STREET; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

5. MATTERS NOT APPEARING ON AGENDA: None

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.

Speakers: Charles Range

7. REPORT OF THE PRESIDENT:

- President Swig reported that their retreat will be taking place the following week and that they have a star-studded line-up on the agenda. Mr. Swig stated that he was not clear on the starting time because it is based on who will be present and who will not be present.
    - Director Blackwell responded that he was also unclear because they had not heard back from President Chiu as to when exactly he would be available.

  President Swig stated that legally they have to send out the agenda 72 hours in advance. So as of right now they plan on starting at 10am and conclude by 3pm; however, if they do not have the full complement of invitees, they will start at 10:30 and conclude by 3pm.

  President Swig stated that he wanted to advise the other commissioners of that point. Mr. Swig invited the public to attend if interested in their agenda.

8. REPORT OF THE EXECUTIVE DIRECTOR:

- Director Blackwell reported that he did not have an update since the last time he spoke to the commission. Mr. Blackwell stated that there is really not much activity going on in Sacramento; the legislators are on spring break so they are not meeting right now. There is still speculation that the Governor may redraft the legislation in order to seek a majority vote on the elimination issue. Mr. Blackwell stated that the Governor continues not to have 2/3 votes necessary under the current terms. What is happening right now with the California Redevelopment Association (CRA) is that they are working very hard on reform measures for redevelopment and anticipate that when the legislators return to Sacramento they will have conversations about reform. Mr. Blackwell indicated that it seems as though the center of conversation at this point is less about elimination and more about reform. Mr. Blackwell stated that he had seen commissioners' questions for the retreat agenda about the role of the commission, and stated that they would be able to take that up at the retreat and he would be able to answer those questions at that time.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

- Commissioner Covington stated that she, Director Blackwell, and Commissioner Singh were present at the opening of the new building at the corner of Octavia and Oak, which is housing for the developmentally disabled and stated that it is a wonderful building, stunning in its design, and that people were very happy to be there. Ms. Covington indicated that it is a gorgeous building with a small community room, a small garden, a number of offices so that social workers can meet with the clientele. Ms. Covington indicated that there was a great outpouring of warmth and it was the most emotional ribbon-cutting she had ever been to in seven years on the commission. Ms. Covington encouraged everyone to go visit the building.

- Commissioner Anaya inquired if at the special meeting on Tuesday they can talk about the protocol of paying salaries of Agency personnel. Ms. Anaya inquired as to who actually sets those salaries.
    - President Swig and Commissioner Covington responded that the unions set the salaries.
        - Mr. Blackwell responded that they can produce an informational memo on that for Ms. Anaya and the short answer is that it is a function of what they negotiate with their memorandums of agreement with the unions and through the benchmarking that they do with the city. Mr. Blackwell stated that Agency salaries are benchmarked against similar positions within the city and that for those positions that do not have a benchmark within the city, the salaries are set in relationship to a central position that they have at the Agency. In summary, Mr. Blackwell concluded that where there is a similar position in the city, the salary is benchmarked against that and where there is not, it is benchmarked against other positions within the Agency itself.

    - Mr. Swig asked Ms. Anaya if she would like an informational memo to follow up or if Mr. Blackwell's response was satisfactory.
        - Ms. Anaya responded that Mr. Blackwell's response was satisfactory.

- Commissioner Singh stated that he was at Octavia and Oak but, unfortunately, he did not have time to stay for the ribbon-cutting. Mr. Singh stated that they are very nice units and the Sunday before last he saw the Governor there and he spent several hours with the Governor. The Governor came to the opening of the Sikk temple in San Jose, which is the largest temple outside of India, covering an area of 110,000 sq. ft. and forty acres. At that time Mr. Singh asked the Governor about redevelopment and stated that the Governor just smiled and did not say anything.
    - Mr. Blackwell added to the discussion on Oak and Octavia that in addition to how wonderful the units are in the development, the collapse of the freeway caused by the Loma Prieta earthquake created the opportunity for the city to create a great neighborhood in that area. Mr. Blackwell indicated that there have been investments made in the median strip and the landscaping, among other things, and the Agency has been able to create a project that will allow people with disabilities to experience that neighborhood in an inclusive community. Mr. Blackwell stated that he wanted to mention that as a backdrop as well.

10. CLOSED SESSION:

Pursuant to Section 54956.9 (a), conference with legal counsel regarding existing litigation, Arc Ecology v. San Francisco Redevelopment Agency, No. C10-05523 (N.D. Cal. complaint filed Dec. 8, 2010)

11. ADJOURNMENT:

It was moved by Commissioner Covington, seconded by Commissioner Singh, and unanimously carried that the meeting be adjourned at 7:00 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

AUGUST 2, 2011

4b

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 3rd DAY MAY OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 3rd day of May 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya – arrived at 4:11 p.m.
Leroy King
Agnes Briones Ubalde

And the following were absent:

Francee Covington
Miguel M. Bustos

Fred Blackwell, Executive Director, and staff members were also present.

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2. **REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** No Reportable Action.

3. **MATTERS OF UNFINISHED BUSINESS**. None.

4. **MATTERS OF NEW BUSINESS:**

REGULAR AGENDA

(a) Approving the proposed budget for the period July 1, 2011 through June 30, 2012 and authorizing the Executive Director to submit the Budget to the Mayor's Office and the Board of Supervisors. (Resolution No. 52-2011)

Presenter: Amy Lee, Agency Staff

Speakers: None

President Swig requested clarification on the largest number listed under the shipyard as "other".

Ms. Bohee responded that it was the $120 million federal TIFIA loan for transportation improvements that they are applying for in July and expect to close on; the first draw would be the $17 million.

Mr. Swig asked about the administration budget on page 64. He pointed out that self insurance retention in fiscal year 10/11 was $100,000 and wanted to know why it then jumps up to $300,000 in 11/12.

Ms. Lee said that after talking to their legal counsel and insurance agents that this amount was in anticipation of potential lawsuits or settlements that they may need to make and wanted to make sure there was enough coverage. It mostly reflects old business from Yerba Buena which is closed, and lawsuits that were filed years ago. She indicated that they were still in the process of defining fault and liability and trying to figure out potential claims that may still be out there. They had to make sure they have the monies available if they have to pay out.

Mr. Swig asked why the Temps & Recruitment costs number jumps up to $207,000 in fiscal year 11/12.

Ms. Lee responded that there was a hiring freeze in place but now they have some temporary help working at the Agency and they have decided to keep working with the temp help rather than hiring a new staff member. The budget reflects what was actually happening during this past year.

Commissioner Ubalde inquired about the South of Market project description. Ms. Ubalde indicated that she would like more detail on fiscal year 10/11 under economic and employment development. The budget outlines continued support for small business and the employment center but Ms. Ubalde was interested in seeing more detail in terms of outcome and achievement of the small businesses that have been involved in this project.

Ms. Lee stated that she could not provide that information at this time but could provide a briefing informational memo that would provide those details. Ms. Lee indicated that next year she intends to make substantial changes in the presentation of their documents and redesign their budget, specifically the narrative portion to clarify specific items, such as those requested by Commissioner Ubalde.

Commissioner Anaya requested clarification on the increase in personnel to incorporate the $100,000.

Ms. Lee asked if Commissioner Anaya was referring to the increase in OPEB liability as well as the severance pay. Ms. Lee stated that one indication of good management is to make sure they are funding their liabilities and they do have outstanding, ongoing liabilities of $1.2 billion which they fund partially on an annual basis of $700,000. She indicated that she tries to budget anywhere between $300,000-$500,000 to make sure they are fully funded for their OPEB liabilities. Ms. Lee stated that the city and county have a budget of $5 billion and they put up $500,000 so she was confident in terms of the management of their liabilities. Under the new GATSBY policies they are now required to recognize any liabilities, even outstanding retiree employee health and basically they pay for it on an ongoing basis but also put in additional amounts so that their assets are fully funding the liabilities of the health benefits. That was the reason for the $100,000 increase. Additionally, the $100,000 severance pay is budgeted to cover people that retire or leave the Agency as they are mandated to pay them their entitled vacation pay.

Ms. Anaya asked if the additional $100,000 in salaries would include the liabilities they are referring to.

Ms. Lee indicated that they have $1.2 million annual liability for their retirees and for health benefits for current employees and they pay monthly up to $700,000 and should try to make a net payment of $500,000 per year. Last year they paid $300,000 and this year she is adding another $100,000 to be closer to fully funding their liability. Ms. Lee thanked everyone on the Commission for their support of the budget.

Mr. Swig thanked Ms. Lee and her staff for her hard work in putting together the budget during these difficult times.

ADOPTION: IT WAS MOVED BY VICE PRESIDENT SINGH, SECONDED BY COMMISSIONER UBALDE, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 52-2011, APPROVING THE PROPOSED BUDGET FOR THE PERIOD JULY 1, 2011 THROUGH JUNE 30, 2012 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE BUDGET TO THE MAYOR'S OFFICE AND THE BOARD OF SUPERVISORS, BE ADOPTED.

AGENDA ITEMS 4(b), (c), (d), and (e) WERE PRESENTED TOGETHER, BUT ACTED ON SEPARATELY

(b) Authorizing an application to the U.S. Department of Housing and Urban Development for Choice Neighborhoods Initiative Grant Funds in an amount not to exceed $30,500,000 and acceptance of such funds in conjunction with the replacement of 256 public housing units and the construction of 248 very low-income rental units at the Alice Griffith Public Housing site, and adopting environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area, Citywide Tax Increment Housing Program. (Resolution No. 53-2011)

(c) Authorizing a First Amendment to the Personal Services Contract with Seifel Consulting, Inc., a California corporation, to increase the contract in an amount not to exceed $47,500, for consulting services related to the Choice Neighborhoods Initiative Grant application for the revitalization of Alice Griffith Public Housing; Bayview Hunters Point Redevelopment Project Area, Citywide Tax Increment Housing Program. (Resolution No. 54-2011)

(d) Authorizing a Purchase and Sale Agreement with McCormack Baron Salazar, Inc., a Missouri corporation, for the sale of real property located at the east side of Arelious Walker Drive at Gilman Avenue, Assessor's Parcel Number 4884/27; Bayview Hunters Point Redevelopment Project Area, Citywide Tax Increment Housing Program. (Resolution No. 55-2011)

(e) Authorizing a Ground Lease Agreement with Bayview Supportive Housing, LLC, a California limited liability company, for the development of 121 units of very low-income senior rental housing, 5800 Third Street, Lot 3, and making environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area, Citywide Tax Increment Housing Program. (Resolution No. 56-2011)

Presenter: Kate Hartley, Agency Staff

Speakers: Oscar James, Dorris Vincent

Commissioner King commended staff on a good job.

Vice President Singh stated that he would like to hear from the Seifel team and wanted to know who was present from Seifel.

Marie Munson from Seifel Consulting identified herself.

Commissioner Ubalde asked who the other finalists were in the Choice Neighborhood competition.

Ms. Hartley indicated that there were applications from Boston, Chicago, New Orleans, Seattle, and Florida. There are three that are similar in scale to theirs and two that are quite small and don't have the full neighborhood impact that their transformation plan has. Ms. Hartley indicated that some are farther along than others but believed that they had a very good chance of getting funding. She also noted that HUD has indicated that if any fiscal year 11/12 funds are available for choice neighborhoods, that they may divert those funds to fiscal year 2010 applicants, up to 4 awards, so it is possible that HUD would fund all 6 finalists.

Ms. Ubalde indicated that this is a truly vital ground initiative and that $30 million is a significant amount of money to be able to implement these important programs in a community that has been neglected. Ms. Ubalde asked if Seifel Consulting is working with anybody in DC at HUD as lobbying support to increase their chances, and wanted to know if there was anything they can do as commissioners to encourage support for this project.

Ms. Hartley thanked Commissioner Ubalde for that offer and stated that they are working with the Mayor's Office of Housing who is collaborating with their DC lobbyist and assistants and congressional delegation. Ms. Hartley indicated that she will let them know about Commissioner Ubalde's offer. In addition Ms. Hartley stated that their development team is diverse and has experience in public housing redevelopment programs. She believed they are using their connections with HUD to their advantage.

Commissioner Anaya asked if there was already a policy to have preference for the current residents in any redevelopment.

Ms. Hartley responded that the Bayview Hunters Point occupancy priorities does give preference to households that have been displaced, such as certificate of preference holders, and also gives preference to households that are in assisted housing, such as public housing or that are in burdened households, that is, paying more than 50% of their income for rent. Alice Griffith seniors would have absolute first priority at 5800 Third Street as long as they were able to get the Housing Choice vouchers. That would be an important part of the project because not only would seniors be in a place where they could take advantage of supportive senior services, the financing structure of 5800 Third would benefit, but they could be assured that a portion of those units would go directly to existing community members.

Ms. Anaya stated that it was very important that they let the public know and reassure them about that fact, because many years ago this was a big problem with redevelopment. Ms. Anaya also asked about the provision and continuation of job readiness, training and placement in programs and wanted clarification on the meaning of "job continuation".

Ms. Hartley stated that they currently fund JRI and they work with the city and the CityBuild program. Urban Strategies through funding by CP Development is onsite at Alice Griffith assisting their residents currently with job training and placement opportunities. Ms. Hartley indicated that they would take money from the HUD grant, supplement existing Agency funding that is going to job training and placement and expand the program.

Ms. Anaya wanted to know how long this has been going on and do they know the outcome.

Ms. Hartley responded that Urban Strategies has been working at Alice Griffith specifically for approximately nine months, and JRI and CityBuild as programs have preceded Urban Strategies coming to Alice Griffith and have been working very effectively at Hunters View. They just received new job data regarding the Hunters View work showing the number of hours allocated to actual Hunters View residents working which was very high and they were quite pleased with the results. In summary, Hunters View residents are getting jobs at Hunters View with the assistance of JRI and CityBuild. They will be modeling a similar program at Alice Griffith once construction starts there.

Commissioner Anaya requested figures and outcomes for this project in the future.

Mr. Blackwell clarified that they do not have outcomes for Alice Griffith at this time because construction has not yet started but stated what they are doing here is replicating what they have done at other sites. Most of the work that they are referring to is the prep work to make sure that once development starts to occur at Alice Griffith, people are prepared to take advantage of those jobs. What they would report would be outcomes at Hunters View instead.

Ms. Anaya then requested outcomes for Hunters View projects.

President Swig stated that this is not a "winner takes all" and there may be as many as 4 or 6 grant winners, and congratulated them on the creativity of wrapping in 5800 Third.

Commissioner King put forth a motion to move Items 4(b, c, d & e).

Commissioner Ubalde seconded Mr. King's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER KING, SECONDED BY COMMISSIONER UBALDE, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 53-2011, AUTHORIZING AN APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR CHOICE NEIGHBORHOODS INITIATIVE GRANT FUNDS IN AN AMOUNT NOT TO EXCEED $30,500,000 AND ACCEPTANCE OF SUCH FUNDS IN CONJUNCTION WITH THE REPLACEMENT OF 256 PUBLIC HOUSING UNITS AND THE CONSTRUCTION OF 248 VERY LOW-INCOME RENTAL UNITS AT THE ALICE GRIFFITH PUBLIC HOUSING SITE, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, CITYWIDE TAX INCREMENT HOUSING PROGRAM; RESOLUTION NO. 54-2011, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH SEIFEL CONSULTING, INC., A CALIFORNIA CORPORATION, TO INCREASE THE CONTRACT IN AN AMOUNT NOT TO EXCEED $47,500, FOR CONSULTING SERVICES RELATED TO THE CHOICE NEIGHBORHOODS INITIATIVE GRANT APPLICATION FOR THE REVITALIZATION OF ALICE GRIFFITH PUBLIC HOUSING; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, CITYWIDE TAX INCREMENT HOUSING PROGRAM; RESOLUTION NO. 55-2011, AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH MCCORMACK BARON SALAZAR, INC., A MISSOURI CORPORATION, FOR THE SALE OF REAL PROPERTY LOCATED AT THE EAST SIDE OF ARELIOUS WALKER DRIVE AT GILMAN AVENUE,

ASSESSOR'S PARCEL NUMBER 4884/27; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, CITYWIDE TAX INCREMENT HOUSING PROGRAM; AND, RESOLUTION NO. 56-2011, AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH MCCORMACK BARON SALAZAR, INC., A MISSOURI CORPORATION, FOR THE SALE OF REAL PROPERTY LOCATED AT THE EAST SIDE OF ARELIOUS WALKER DRIVE AT GILMAN AVENUE, ASSESSOR'S PARCEL NUMBER 4884/27; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

AGENDA ITEMS 4(f) AND (g) WERE PRESENTED TOGETHER, BUT ACTED ON SEPARATELY

(f) Authorizing a Loan Agreement with Midori Housing Corporation, a California nonprofit public benefit corporation, in an amount not to exceed $309,500, for sprinkler system upgrades at the Midori Hotel, 77 units of very low-income rental housing for residents living with mental illness, 240 Hyde Street; Citywide Tax Increment Housing Program. (Resolution No. 57-2011)

(g) Authorizing a First Amendment to the Rental Acquisition and Rehabilitation Program Loan Agreement with Conard House, Inc., a California nonprofit public benefit corporation, for the Midori Hotel, 77 units of very low-income rental housing for residents living with mental illness, to reduce the interest rate, commencing on the effective date of the First Amendment, from 10% to 3%, to extend the term to 55 years, and to convert the debt service requirement from mandatory monthly principal repayments to residual receipts, 240 Hyde Street; Citywide Tax Increment Housing Program. (Resolution No. 58-2011)

Presenter: Kate Hartley, Agency Staff

Speakers: None

Mr. King asked how many people manage the building.

Ms. Hartley stated the total expenses on a per unit basis, which are just over $7,000 exclusive of reserves and about $7,600 with reserves, are lower than most of their supported housing developments. She commended Connor House for doing a good job of managing the building which has a special needs population.

Vice President Singh inquired about the new funds of $309,500 at 3% interest, 55-year term, and asked whether this was considered a grant or a loan.

Ms. Hartley stated that the new funds were not a grant but do function similarly to a grant because they only require repayment if there is surplus cash which would be if income exceeds expenses. After the existing HCD loan is retired in 2020, it is possible that there will be some surplus cash with which the sponsor can make payments. The loan will accrue interest over time and be due in 55 years. That gives them options if there is ever a transfer of the property, a sale or if there is a refinancing, then the agencies that will have to be paid.

Vice President Singh reiterated that otherwise this would become a grant.

Ms. Hartley agreed.

Commissioner Anaya requested to hear from the Connor House representatives.

Mark Bennett, Director of Real Estate for Connor House, stated that they had the John Stuart Company look at their facility and give them recommendations about the capital upgrades to the property. He stated that they are able to manage the property with the funds that they collect now from the tenants and a subsidy from the Dept. of Public Health. The sprinkler upgrade, however, is beyond their means and if they could obtain assistance for that, then they could maintain the long-term viability of the program for the next 20 years.

Vice President Singh inquired about the work they had previously done and wanted to know about the contractor they selected for the work.

Mr. Bennett stated the low-bidder for the project was FDC who had acceptable references and had done similar work in the community with this type of housing.

Mr. Singh asked Mr. Bennett if he was satisfied with the work this company had done for him before.

Mr. Bennett said yes.

President Swig recalled his positive memories of Connor House because his mother sat on the board years ago and knew that they are very well respected. He said he does not question the benefit for the Midori Hotel but questioned the fiction of these loans. He stated that this is all fiction and asked the Executive Director to add to the conversation. He said they create fiction because they are

basically adjusting a loan to suit the current business terms and in fact, making the same mistake that was made when the original loan was granted at 10% because those were the market conditions then and now we are adjusting to what are the perceived market conditions are today. He stated that if he lasts as long as Mr. King, this item might come up again five more times because they will have to keep adjusting the interest rate and the deal structure to the market conditions that are in existence seven or ten years from now. Mr. Swig stated that he felt that this was a contrivance but clarified that he would like to make sure this item gets passed and the business gets done.

Mr. Olsen Lee stated that he was around in 1990 when they first started the process and that back then they all trended revenues and expenses very differently than they do today. Having some level of project based assistance in that particular building gave them false hope that there would be revenues and that this building might have the capacity to support its debt. Clearly that has not been the case. He agreed that they should not be repeating mistakes but should be evolving as a lender. He indicated that the current structure they are using for these transactions are still loans in part because they use taxable money and there are a variety of reasons to use loans and a variety of reasons that they are transacting them under these particular terms. One of the key items is residual receipt so in the event that there are additional project-based section 8's and they pay off some debt, there may be actual cash flow that can be generated from the building and thus is a sharing of that cash flow between the sponsor and the agency. In this case the interest rate of 3% will accrue, which is what they want, because in part there is outstanding state debt on the project that is also accruing. One of the things they are doing is matching the growth of the statement. Mr. Lee explained that in year 2020 when the state demands their money, if there was a grant there only, the Agency would have no position on this particular project. What they are doing is creating a comparable indebtedness on the project and they will then share it jointly in terms of how to restructure that particular transaction so the state would not get 100% back just because they have a loan on it that accrued.

Mr. Swig inquired as to what was the point of that because in the end, there is no way that this building is going to service that debt because it's being accrued and at the end of 20 years there will be a restructuring and a settlement. He inquired as to why they are adjusting the interest rate if the debt is never going to get paid anyway; why not just keep it the same as it has been?

Mr. Lee indicated that the current structure of 10% is actually payable as a 15-year note that for the first 15 years which was not paid and then required hard debt payments which this building cannot afford; they could keep the 10% as a

residual which would allow them to continue to accrue but typically in these transactions they provide for an interest rate of up to 3% and in part this is to accrue some level of interest but not so much that it is unreasonable.

President Swig then stated that if this deal were to have been done in the early 80's, the interest rate could have been 18% or 20% because that was the going rate then. However, at the time this project was done the going rate was 10%. Mr. Swig indicated that today there is the so-called "false debt economy" where the fed is keeping the rate at trace and everybody else is raising their rate. Mr. Swig questioned the game and the reality of cutting this debt down to 3% and questioned why they were doing this if it is going to turn into a grant anyway.

Mr. Lee stated that it is not necessarily going to turn into a grant and the key aspects of the underwriting is the residual receipt nature; that is hard debt vs. residual receipt regardless of the interest rate. The other reason why they do debt vs. a grant is that for grants they have to sue for performance, for debt they can just call the debt and it is an easier way of providing for enforcement. Part of the goal is positioning this building, the developer, and the city with the state in terms of how much debt is truly on this project. Clearly the amount of debt on the project between the state and the Agency will indeed exceed the economic value of the building but he indicated that he wanted to go into those negotiations with the state with a level of debt comparable to theirs so they can be in a better negotiating position.

Mr. Swig inquired why they are dropping the debt all the way down to 3% instead of somewhere more reasonable like 5% or 7%. He stated that in a year from now if interest rates go the way their own budget is predicting, a 3% interest rate is going to look dirt cheap and two years from now even cheaper. He again asked why the interest rate drops so dramatically from 10% to 3% and suggested a mutual position at 5% or 7%. Mr. Swig agreed that 10% was a bit usurious.

Mr. Lee stated that the 3% interest rate was picked because it is so below market rate, would provide some level of approval and not be too ridiculous and was not picked to mirror current interest rates. Mr. Lee indicated that they could take another look at this project and consider a rate that is indexed in some way like LIBOR cost of funds.

Mr. Swig stated that perhaps this debt should be a LIBOR plus structure. Mr. Swig suggested setting it at LIBOR plus 300, which will get you to exactly the same thing, and then four years from now if LIBOR happens to be 300, then this

goes to 6, which would still be a reasonable rate and because it is not payable, it really becomes more of a market-centric, market-real situation.

Mr. Lee responded that this simply has always been their practice and stated that Mr. Swig had raised a really good point about whether this is a variable rate or not which always complicates the accounting for the accrual but they could look at setting the interest rate annually and base it upon some sort of index.

Mr. Swig stated that he would like to see a structure that is more market-real and defensible in the future. He suggested a LIBOR plus 3 to get to the same interest rate and then place a restriction on it that it would be revisited and adjusted every two or three years to that same LIBOR plus 3. Then the bookkeeping would not be difficult because it would only fluctuate every couple of periods but the interest rate would be more realistic to the moment and certainly defensible. Mr. Swig commented that he could see items like this coming back to them five or six years from now and they would have to revisit the same situation as opposed to being more market-real, putting it on a sliding and then adjusting it at reasonable periods that are administratively easy to deal with.

Mr. Lee stated he would go back to his colleagues at the Mayor's office about how to set the interest rate and had one more thing to say in defense of the low interest rate. That is, they want an interest rate which will accrue because this will affect the balance sheet at Connor House and they do not want to put Connor House at financial risk. That would be an argument for keeping a below-market rate or one that limits the accrual.

Mr. Swig stated that this is not a defensible interest rate because Mr. Bennett had used the word "arbitrary" which means that a rate was chosen that seemed to be right for the moment as opposed to something that was potentially defensible for a long period of time. Mr. Swig suggested that they look to an alternative model that looks to the future, even at LIBOR plus 2 which would even be less than the rate they are asking currently, but if LIBOR were to shift up 4 points eight years from now, which might reflect market conditions at that time, then the loan would be set to a realistic scenario as opposed to an arbitrary one which they now have to live with for 20 years. Mr. Swig requested that they look at this and reconsider the rate.

Ms. Hartley stated that the 3% interest rate is not arbitrary but is based on back-end loss analysis and capital accounts for their tax-credit deals, which they apply across the board for fairness but is really an important number because tax-credit financing is the main vehicle by which all their developments are

financed and without tax-credit financing they would not produce much housing. Ms. Hartley stated that it is very likely that at some point in the future, the Midori, which is a 1930's building, will need additional funds for renovation and they might seek tax-credit financing. So if they were to impose a higher interest rate, it would credit a level of debt that would be very difficult for a tax-credit restructuring to accommodate. Also the 3% interest rate goes to the limited partner investor liability after 10-15 years in the deal. If the interest rate is too high, then losses are created for the investor that become a financial liability and that investor will not want to invest in the project. That is where that 1% -3% numbers comes from and it needs to be fixed because it provides certainty for the limited partner investor. Some deals are not tax-credit deals and in that case the 1%-3% is more industry standard than something that is very important to that project. If they are to impose variable rates, the investor will not know exactly what their liability is, making a tax-credit investment difficult, if not impossible.

Vice President Singh inquired whether they ever collect any money back from the loans they give to the developers and others.

Mr. Lee responded in the affirmative and stated that it depends on project to project. He stated that those on supportive housing are less likely to provide for a repayment but they have had repayments from other projects where it is not in the form of loan repayments but because they use their land lease structure, where the cash flow from the development goes to pay the land rent first and then the loan, they do get payments from certain projects that they have assisted in the past, primarily through the land lease payment. He stated that occasionally they do get payments from the loans themselves depending on the individual projects. Mr. Lee stated that they do make loans that they do expect to be repaid as well as making loans that create losses for investors. It depends on the project and its mission in terms of the population it is serving and the project's ability to actually make the payment. Their goal is to encourage the development of affordable housing which at times requires below-market financing to facilitate that. Sometimes those projects actually can make repayments, which they then take through the budget process and recirculate them into other affordable housing projects.

Mr. Singh inquired as to how many have been repaid and how many have been forgiven.

Mr. Lee stated that if they start out as a loan they remain a loan.

Mr. Singh inquired that out of 10 loans, how many have they collected back.

Mr. Lee indicated that in terms of collecting back the original principal, because their loans are 50 year loans, all of those loans are still outstanding and what those loans do as they remain outstanding is to ensure that the borrower, in this case Connor House, is still in the business of providing affordable housing and if they weren't in the business of providing affordable housing, then they would definitely have to repay that loan. So overall it is not a question of repayment performance but the performance in terms of the services provided to the city to get that loan and reasonable payment terms of those loans. In the single-family program, they have loans that get repaid all the time and it is a very different situation. But for the multi-family rental projects, the developers have very long-term loans and long-term requirements to keep the building as affordable housing and so many of those loans are not due.

Mr. Singh indicated that he remembered that in 1987 or so, the interest rate was at 16% or 17% during the Carter administration and he considered what they are doing now to be some kind of joke.

Mr. Lee replied that he would not call it a joke per se. Again the whole point of their lending, whether it is a loan or a grant, is for the purpose of creating affordable housing. He stated that one can disagree about how they price those loans but the purpose of the loan is more to assist the affordable housing as well as assist themselves in enforcing those particular agreements and there are those cases where the buildings can support themselves and they actually get repayment. He indicated that they would like repayments if at all possible but it is not always possible when you are serving the extremely low income population or the supported housing population.

Vice President Singh reiterated that they really don't know what percentage of borrowers repaid the loan back.

Mr. Lee indicated that the majority of the multi-family loans (probably 99%) are still outstanding loans and unless the borrower defaulted on their loan for performance, those loans are all outstanding.

Vice President Singh stated that they have not received anything yet.

Mr. Lee stated that the fact that they are outstanding does not mean that they have not gotten paid, but rather they have not been fully repaid, but it does not mean that they are in default or that they have not made the required payments.

Commissioner Anaya indicated her support for what President Swig was saying in that they are okay with what they are doing here but suggested calling it what

it is. Why not call it a grant instead of a loan? Ms. Anaya stated that this may be for further conversation among commissioners but this structure does make her feel uncomfortable.

Mr. Blackwell stated that if they were to make these loans into grants, their ability to enforce the affordability, the maintenance, the overseeing of the units, goes away because with a grant, you basically provide the money and you walk away. The only recourse when you provide a grant is that you sue. By making these loans, it gives them much more oversight ability, more involvement in the project and keep in mind what they are trying to do here is to create the maximum number of affordable housing units in the city and keep them affordable in perpetuity. It is not their intent nor should it be for them to get out of these deals; they want to stay in these deals so they stay affordable, so they continue to have the oversight role and if for some reason there is a default or someone goes out of business, they still want to have the ability to recoup that and keep these units on the market into perpetuity. So the purpose of making these loans instead of grants is to keep the Agency in these deals in a different kind of way than a grant implies.

President Swig wrapped up the conversation as productive dialogue and stated that this discussion expresses the concerns of how this Commission protects the interest of the public because that is what they do there. They have to remind themselves that this Commission is here to protect the interests of that public which has the benefit of affordable housing whether it's low income or seniors or formerly homeless. At the same time they are protecting the public that is providing the funds through a variety of tax bases or other forms of financial subsidy and making sure that the Agency is spending their money in a wise and responsible fashion. Mr. Swig thanked Ms. Hartley and Mr. Olsen for indulging their questions about this project.

Vice President Singh put forth a motion to move Item 4(f & g).

Commissioner Anaya seconded Mr. Singh's motions.

ADOPTION: IT WAS MOVED BY VICE PRESIDENT SINGH, SECONDED BY COMMISSIONER ANAYA, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 57-2011, AUTHORIZING A LOAN AGREEMENT WITH MIDORI HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED $309,500, FOR SPRINKLER SYSTEM UPGRADES AT THE MIDORI HOTEL, 77 UNITS OF VERY LOW-INCOME RENTAL HOUSING FOR RESIDENTS LIVING WITH MENTAL

ILLNESS, 240 HYDE STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM; AND, RESOLUTION NO. 58-2011, AUTHORIZING A FIRST AMENDMENT TO THE RENTAL ACQUISITION AND REHABILITATION PROGRAM LOAN AGREEMENT WITH CONARD HOUSE, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE MIDORI HOTEL, 77 UNITS OF VERY LOW-INCOME RENTAL HOUSING FOR RESIDENTS LIVING WITH MENTAL ILLNESS, TO REDUCE THE INTEREST RATE, COMMENCING ON THE EFFECTIVE DATE OF THE FIRST AMENDMENT, FROM 10% TO 3%, TO EXTEND THE TERM TO 55 YEARS, AND TO CONVERT THE DEBT SERVICE REQUIREMENT FROM MANDATORY MONTHLY PRINCIPAL REPAYMENTS TO RESIDUAL RECEIPTS, 240 HYDE STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

5. MATTERS NOT APPEARING ON AGENDA: None

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY-RELATED MATTERS

Oscar James

7. REPORT OF THE PRESIDENT:

- President Swig reported that the Agency had their retreat last week and received some very solid briefings from the Mayor's Office of Economic Development and from Supervisor President Chiu's office about what may transpire given the great unknowns in Sacramento. Mr. Swig stated that the bottom line is that nobody knows and therefore they cannot take any steps. In the afternoon there were follow-up conversations on workforce items and about understanding the great efforts which are being put forth to employ people from San Francisco as much as possible on new projects; people who have previously been unemployable because they are not afforded the training and to keep employing people from the neighborhoods, the right people for new projects now and for the future in San Francisco. Mr. Swig remarked on the massive effort that is going forward to try to provide training to people who are untrained and unskilled and to put those who have skills in a position to get the jobs when the projects emerge and really try to keep the money being spent in San Francisco in the pockets of San Francisco workers. He stated that it was a very good discussion and a lot of information was positively shared.

8. REPORT OF THE EXECUTIVE DIRECTOR:

(a) *Update on Governor's proposal to dissolve Redevelopment Agencies*

- Director Blackwell stated that one important development has taken place since last week: Senator Wright (D-So. Cal), introduced Senate Bill 286 which has within it a set of very important and far-reaching reforms to redevelopment. There are about 6 or 7 areas of reform that are being proposed that Senator Wright worked on with California Redevelopment Association and the California League of Cities. The bill is going to be heard by the Governor's Finance Subcommittee of the Senate and it is expected that this bill will make it out of committee tomorrow. The first has to do with administrative costs for redevelopment agencies. One of the criticisms about redevelopment has been that local jurisdictions, cities and counties have often been using redevelopment funds to pay for non-redevelopment activities, specifically council members, elected officials, and city staff who aren't working on redevelopment activities are being paid with tax-increment dollars. One of the reforms is to put a cap on administrative expenses and to be clear about the nexus between administrative expenses and redevelopment activities. Second is a set of reforms that has to do with the size of redevelopment; the criticism being that redevelopment has become too large and too much of the property tax given to jurisdictions across the state is being redirected to redevelopment activities. This reform has to do with limiting the amount of total geography in a jurisdiction that can be in a redevelopment project area, limiting the total amount of property tax revenue being generated in a jurisdiction that can go to redevelopment activities and limiting the amount of tax increment that can be spent in existing project areas on areas that no longer are blighted. The third reform deals with paying much more attention to how blight is being defined. As the Commission knows, the way to define a redevelopment area is by putting forth a set of findings related to blight, the criticism of which has been that redevelopment areas have been established without the adequate level of blight. This reform would set up a system of checks and balances when it comes to the establishment of blight findings and involve the courts more. The fourth area of reform/criticism is allowable use for tax-increment financing. After the state comptroller's office audit, they found that tax-increment is being spent on things that are not appropriate; one example being tax-increment being spent on luxury golf courses or big sports facilities or auto malls. While CRL (California Redevelopment Law) has tightened that, the new proposal states that you cannot spend tax-increment on items without voter approval. The fifth category of reform is about repositioning redevelopment. There is much discussion about realigning redevelopment more closely with sustainable development principles, such as investments

that encourage in-field development rather than sprawl, focusing on transit-oriented development, investments for brownfields rather than green fields and focusing on investments that reduce greenhouse gas emissions. And there is a listing of affirmative statements that state what they want tax increment to be associated with. The next reform deals with accountability. The audits that took place this year for redevelopment agencies had not taken place in a long time and the reason the state said that these audits do not happen is because they cannot afford for them to happen. This proposal imposes a .025 assessment (which is a portion of the allocated tax increment) on agencies that would go to the state so the state would have the resources to do the audits on an annual basis with a sampling of redevelopment agencies being audited. The last reform deals with project areas established after 2012, where the schools' portion of the tax increment or the property tax, would not be touched. This is important because for newly established project areas, redevelopment agencies will no longer create the state burden which is associated with backfilling the schools' portion of the property tax. The backers of this reform package hope that it is strong enough to get the governor's elimination proposal off the table. A revision of the budget is expected to be presented in Sacramento in mid May. It is anticipated that the debate around redevelopment will heat up again soon after mid-May, including the above set of reforms and including the alternative financial package.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

- Commissioner Ubalde had a question for the Executive Director about the Filipino-American cultural center. Ms. Ubalde stated that she thought that now it was in the hands of the Planning Commission but requested an update.
    - Director Blackwell indicated that right before the end of the year there were heated negotiations about the Westfield or the Metreon Revitalization and the connection between that and the establishment of space for the Filipino cultural center. The agreement at the time was that Westfield would pay a portion of the tenant improvements for the cultural center as well as provide them with some operating support, with the next step being for them to get into a lease. Since that debate, negotiations have gotten bogged down and the Agency has reinserted themselves into those negotiations in order to bring them to closure. One of the problems is that the cost associated with tenant improvements at the center are higher than the center thought they would be at the time and they are trying to figure out ways to fill the gap. Mr. Blackwell stated he hoped to have a more detailed update soon on the project.

10. CLOSED SESSION: NONE

11. ADJOURNMENT:

It was moved by Vice President Singh, seconded by Commissioner King and unanimously carried that the meeting be adjourned at 5:43 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

JULY 5, 2011

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 17th DAY MAY OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 17th day of May 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Miguel M. Bustos
Francee Covington
Leroy King
Agnes Briones Ubalde

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Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS. None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA:

ALL MATTERS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE REDEVELOPMENT AGENCY COMMISSION, AND WILL BE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A MEMBER OF THE COMMISSION OR THE PUBLIC SO REQUESTS, IN WHICH EVENT THE MATTER SHALL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED AS A SEPARATE ITEM:

(a) Approval of Minutes: Regular Meeting of January 18, 2011

(b) Approval of Minutes: Regular Meeting of February 15, 2011

(c) Approving a Memorandum of Understanding With the Mayor's Office of Economic and Workforce Development and an Associated Letter Agreement with FOCIL-MB, LLC, a California Limited Liability Corporation, for the receipt and use of DTSC brownfield grant funds for the Park P10 and surrounding Mission Bay Drive improvements and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area. (Resolution No. 59-2011)

ADOPTION: IT WAS MOVED BY VICE PRESIDENT SINGH, SECONDED BY COMMISSIONER ANAYA, AND UNANIMOUSLY CARRIED, THAT APPROVAL OF MINUTES FOR THE REGULAR MEETING OF JANUARY 18, 2011; APPROVAL OF MINUTES FOR THE REGULAR MEETING OF FEBRUARY 15, 2011; AND RESOLUTION NO. 59-2011, APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE MAYOR'S OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT AND AN ASSOCIATED LETTER AGREEMENT WITH FOCIL-MB, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, FOR THE RECEIPT AND USE OF DTSC BROWNFIELD GRANT FUNDS FOR THE PARK P10 AND SURROUNDING MISSION BAY DRIVE IMPROVEMENTS AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

(d) Conditionally Approving the Combined Basic Concept and Schematic Design for the Public Safety Building on Block 8 in the Mission Bay South Redevelopment Project Area and adopting environmental findings pursuant to

the California Environmental Quality Act; Mission Bay South Redevelopment Project Area. (Resolution No. 60-2011)
Presenters: Kelley Kahn, Agency Staff, Charles Higueras (Project Manager, San Francisco Department of Public Works), Paul Wilford (HOK Architects), Mark Cavagnero (Mark Cavagnero Associates), Joanne Hayes-White (Chief, San Francisco Fire Department), Greg Suhr (Chief, San Francisco Police Department)

Speakers: Kevin Simons, Corinne Woods, Jack Bair, Oscar James, Espanola Jackson.

Commissioner Bustos requested that Agency staff address some of the issues that were put forth by the San Francisco Giants.

Ms. Kahn responded that the team has been working over the past two months on finding technical solutions to the interface between the development of the building and the fire station operations along Mission Rock Street, which they will both share. Ms. Kahn mentioned they had already settled on some solutions to the traffic and circulation problems and is very close to a final solution.

Commissioner Bustos asked Mr. Bair if that was sufficient for him.

Mr. Bair concurred.

Commissioner Bustos stated that it would be a tragedy to have a small technicality stand in the way of such a wonderful project. Mr. Bustos thanked the Police and the Fire Chiefs for attending the meeting and for all the work they do every day and stated that they deserve a space. Mr. Bustos then inquired as to whether the soup kitchens will then be relocated.

Ms. Kahn responded that the soup kitchens will have to be relocated and that the Agency has been working with them and assisting them in that move.

Mr. John Updike, San Francisco Real Estate Division, indicated that they have had very positive discussions with the Missionaries of Charity about this project and their need to find a new location.

Commissioner Bustos inquired about the art they are considering putting near the building. Mr. Bustos expressed excitement about the development of this project, remembering that it was not a good neighborhood while he was growing up there. He then recommended looking for local artists from San

Francisco perhaps from the Bayview or Hunters Point, to create the impression that San Franciscans are artists.

Ms. Kahn responded that the public art project is being run by the Art Commission and that she would communicate Commissioner Bustos' comments back to them.

Commissioner Bustos backed the idea of local hire, mentioning that there are many San Franciscans who can use the 730 jobs that are to be created. He reiterated that looking to the communities that need these jobs is very important and would be like helping them create their own city, which they will do with a lot of love, passion and skill. Mr. Bustos put forth a motion to move this item.

Commissioner Covington indicated that the project looked wonderful and asked if the windows of the building are operable.

Mr. Wilford stated that the windows are not operable because of security but fresh air will be brought into the building every day with great energy conservation from the roof through the ceilings of each story of the building.

Commissioner Covington inquired about the location of the public transit stop as it relates to the building location.

Ms. Kahn responded that it was right in front of the building.

Commissioner Covington inquired about the color of the cast-in-place concrete because on the pedestrian level one is faced with sheer walls and wanted to know how to soften the appearance for pedestrians.

Ms. Kahn responded that the concrete itself is not colored but that there will be patterns in the concrete for a more interesting appearance and also indicated that the concrete has a rich texture and is very attractive. Ms. Kahn stated that they wanted to add some strength to the building so the base is a richer material that becomes lighter as it moves up. She also indicated that there will be trees and seating along the street.

Mr. Wilford responded that there is only a single story of that material so the scale of the building will be more like a garden wall.
Mr. Cavagnero indicated they will be using an old-fashioned type of concrete with lots of patterns and indentations so it looks more like stone and not like a parking structure that has large monolithic cast concrete walls. This will have a

great deal of texture and discipline to it so it will look more like a stone wall and like a civic building should look.

Commissioner Covington indicated that she is still concerned that to the pedestrian it will seem like a bunker.

Mr. Cavagnero replied that there are a number of windows at the base which are being placed with the rhythm of the building so there is not too long a stretch without windows. The problem with the building is that it is very long, 145', so even with windows there will still be a fair amount of wall.

Commissioner Covington inquired as to whether the windows will be clear or opaque.

Mr. Cavagnero responded that some will be translucent and some are clear depending on security needs. Where they can be clear, they will be clear and where there are security concerns, the windows will be translucent. So there will be light and glass but from the outside no one will be able to see inside so as to preserve privacy and security.

Commissioner Covington stated that she thought there was a great benefit to having public buildings appear open and approachable. Ms. Covington inquired about workforce goals as it relates to the city goals since the Agency's goals are much higher.

Mr. Higueras responded that the project is under the jurisdiction of the Human Rights Commission and they have defined the local business enterprise goal for the project for both professional and construction services. They had set 15% participation for professional services and the architect team and their consultants currently stand at nearly 15% of participation. On the construction side it is set at 10% which they expect to meet and exceed. Mr. Higueras stated that they are working with both HRC as well as the Office of Economic Workforce Development (OEWD) as it pertains to local hiring. They have already selected the CM/GC which represents 10-15% of the total construction value of the work and basically are providing oversight and management of the construction forces. Roughly 85-90% of the construction trade work has yet to be bid out and that will begin in late fall and continue through the middle part of 2012.

Commissioner Covington indicated it is important they keep those numbers in mind and do as much local hiring as possible. Ms. Covington stated that this is a very critical issue to the Agency and she wished them luck with that. Ms.

Covington stated how important this project is and she was very glad to see that it is about to come to fruition and that groundbreaking is imminent. She indicated that they will be working closely with the Giants to address their concerns which are quite valid and assure that the safety vehicles as well as the Giants fans can get in and out without obstruction. The buildings overall are wonderful to look at and she particularly likes the historic fire station and how it fits into the scheme of things. Ms. Covington reminded the audience first responders deserve to work in a pleasant environment and it is essential that it be up-to-date and a place that people would like to go to. She stated how happy she was to learn that this building will have a community room as well. Ms. Covington seconded this item.

Commissioner Ubalde thanked the chiefs of the departments for coming to speak about this item. Ms. Ubalde inquired as to what staff will be in this building. She referred to the Hall of Justice where there was a children's waiting room and wanted to know if there would be one for the new building.

Mr. Higueras responded that the Public Safety Building is relocating the Police Command Staff to the new location but not the entire police force as well as the entire IT staff and equipment. He also indicated that this facility is designed with essential seismic safety which means that it is 1.5x stronger structurally and has other aspects of resiliency which will allow it to operate off the grid for up to 96 hours without being replenished with additional fuel or with the evacuation of the accumulated fuel while it waits to be reconnected to the grid.

Ms. Ubalde inquired about server consolidation of all IT departments. She stated that there had been an attempt in the past to bring all the IT departments together to keep them protected in the event of a natural disaster or emergency situation. Ms. Ubalde wanted to clarify that this is what they are attempting to do and that they have those efficiencies and capabilities in place to ensure that in the event of some safety hazard those particular systems will be protected so that communication is maintained.

Mr. Higueras responded that they are aligning themselves with the larger directive from the city to be efficient and economical in the operation of the data centers that are spread throughout the city.

Ms. Ubalde inquired about the plaza and what the final construction would look like. Ms. Ubalde inquired as to whether they are considering installing a fountain or any water features for this project. She stated that in San Francisco there are very few fountains and that they are a very nice place for people to meet.

Ms. Kahn responded that they were not considering a water feature because the site is very windy and not protected, so it is not a warm spot where people would be drawn to water. The other issue is that the Art Commission is in the process of designing the plaza and getting proposals from many different artists so it is possible that a water feature might be included. Ms. Kahn stated they do not have control of that and they cannot commit to any one design at this time.

Ms. Ubalde inquired as to whether a café or restaurant or any kind of eating place for the staff is being considered for both the public safety building and for the firehouse.

Ms. Kahn responded that their goal is to have people coming and going in and out of the building as much as possible and the site is located one block from 4th Street which a main retail corridor which goes through Mission Bay South. The idea is that the people working in the building will inhabit the retail corridor and keep it vital during the day. Ms. Kahn stated that there are no retail plans for within the buildings themselves.

Ms. Ubalde stated that she is very supportive of this project for this neighborhood and was very happy to hear about having a community room, which will add much value not only to the community but enhance the interaction between public safety officials and the residents of San Francisco. Ms. Ubalde thanked all the people who have worked on this project and stated how much she looks forward to the final outcome in 2014.

Vice President Singh inquired about when the project is completed would it have the same colors and also inquired about the final completion date.

Ms. Kahn responded that if approval comes tonight, construction would start in November 2011 and from that point it would take about two years to complete.

Mr. Singh also inquired about the status of the Hall of Justice on Bryant Street.

Mr. Higueras responded that the Hall of Justice will be vacated over a period of time and that there are a number of ongoing projects, chief among them would be a replacement jail which would come more under the standards for incarceration of prisoners. Mr. Higueras mentioned other projects such as the relocation of the District Attorney's Office, Adult Probation, Police Investigations, Office of Chief Medical Examiner, and Police Traffic Division, which are all projects that will find new locations over time as the finances of the city allow it either as a general obligation bond supported by the voters or as a general debt fund financed projects. Those projects combined will take up to

12-15 years to carry out. Once they have vacated the west wing of the Hall, they can set about to demolish that wing, clear the site and make it available to the Superior Court for a new court building. The Superior Court also resides in the Hall of Justice in the east wing. Mr. Higueras indicated the city's desire to establish one facility to house both the jail and the courts at 850 Bryant which is the long-term plan for the replacement of the Hall of Justice.

Mr. Singh inquired about how many construction jobs will be created during this project.

Mr. Higueras responded that most likely thousands of jobs will be created to complete this many projects. The total project value for this work is about $1.6 billion which is inclusive of the $243 million attributed to the public safety building.

Mr. Singh indicated that he would also like to address the concerns of the Giants and thanked everyone.

Ms. Covington inquired about whether people who do not speak English will have any idea what the new public safety building is. Ms. Covington stated that there are 40,000+ people who go to Giants games as well as neighborhood people and thought there should be something displayed on the building that tells people what is housed in the building so that in time of need and/or stress, people know where to go.

Commissioner Anaya inquired about the jobs that will be created by this project and wanted to know what other jobs besides construction will be created. Ms. Anaya also inquired about the kind of workforce training that potential workers will have to undergo before they get the jobs.

Mr. Higueras responded that 730 jobs will be created by the project and also stated that they are just at the beginning of considering how they will embrace the community in terms of local hiring, what new work opportunities will be created, especially in regard to the apprentice category, and that they are working very closely with OEWD as well as HRC and would be happy to come back and report their progress on that front at a future meeting.

Ms. Anaya wanted reassurance that they will be coming back to the Agency to give a report and asked President Swig to add that to a future agenda. Ms. Anaya thanked all the individuals who are responsible for this project and commended everyone for the communication and the caring that is being shared between the Giants, the Police Department, the Fire Department and personnel to make this project a success.

Commissioner King thanked everyone for the wonderful job they have done and said to keep up the good work.

President Swig reiterated the importance of their relationship with the Giants and to make sure that their verbal commitment is handled in writing accordingly. Mr. Swig stated that the commitment to the Giants absolutely transformed that entire corner of this city since they were the first ones there and since that time, they have transformed that community. Mr. Swig also indicated that as far as local hiring is concerned, there is no neighborhood there so the most important hires should probably come out of the southeast corner of the city and the Mission because they are in the process of building a new neighborhood. Mr. Swig inquired as to how the process would work—embracing the worker communities which are underserved and which require training and should be wrapped into these projects.

Mr. Blackwell responded that the priorities for local hiring differ by project area depending upon what was written into the redevelopment plan. He stated that in Bayview there is a tiered priority, first to project area residents, then to redevelopment areas, then to 94124 and then the city. In the Mission Bay Project there is no tiered level written into the plan. So the first priority for hiring under this project would be residents from redevelopment project areas. Mr. Blackwell reiterated that this is a city project so the prioritization is for project area residents and other smaller levels of geography are not there. The funnel for construction workforce is CityBuild which almost disproportionately serves the southeast part of the city so he reassured the Commission that this area of the city will be well represented in the local hire numbers once they come in.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 59-2011, CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR THE PUBLIC SAFETY BUILDING ON BLOCK 8 IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(e) Conditionally Approving the Combined Basic Concept and Schematic Design for a residential building on Block 2 in the Mission Bay South Redevelopment Project Area and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area (Resolution No. 61-2011)
Presenter: Catherine Reilly; Agency Staff

Speakers: Corinne Woods, Kevin Simmons, Oscar James

Commissioner Covington asked what kind of retail uses are being envisioned.

Ms. Reilly stated that the space is being designed so that it will be flexible and with multiple entrances. She stated that the community has been vocal on what they are looking for. It is a privately owned property so they cannot demand what they put in there. However, one of the goals for Mission Bay overall is to have a community meeting to figure out what are the uses that the neighborhood would like to see in that area. The 4th Street corridor has always been thought of as the community heart of Mission Bay so they envision smaller community-serving uses for that space, including restaurants, laundry and other uses that would appeal to the neighborhood so they don't have to walk outside. The design allows for flexibility of use from larger to smaller break-up of that space.

Mr. Jeremy Cyr indicated that they don't know who those users are yet. They recently just engaged a retail broker consultant to assist them with that question. Mr. Cyr indicated that they were trying to design as much flexibility as possible into the space and they think it is probably a 3 or 4 user space.

Commissioner Covington inquired about the penthouses, whether they had balconies and the approximate square footage of the 2-bedroom unit.

Mr. Cyr responded that the square footage would be between 1050 and 1150 to as high as 1200 for two bedrooms.

Commissioner Covington inquired as to whether the penthouses are larger than the standard two bedrooms.

Mr. Cyr stated that the penthouses should be referred to more as just the top floor, will probably be within the same range and will have larger balconies because they step back away from the façade.

Commissioner Covington asked if the regular two-bedrooms have balconies.

Mr. Cyr responded that not every unit in the building has balconies. He stated that over half of the units do have balconies.

Commissioner Covington inquired as to what the breakdown was of types of buildings: studios, one and two bedrooms.
Mr. Cyr stated that it was primarily one and two bedroom units that have the balconies and the studios do not have one. Each of the units are designed to have a significant opening, a large sliding element, like the French Juliette balconies, where there is large amount of area that the units can open out to and get the connection to the natural environment.

Commissioner Covington indicated that she was very happy to learn that people have windows and doors that they can open to the outside world and be able to block out the city noise but stated that is always good to have really polluted air coming in from time to time to remind one of where they came from. Ms. Covington stated how much she appreciated the design, in particular the curvature of the building and the setback of the penthouse level which reminded her of old-fashioned style architecture. Ms. Covington asked if there was any discussion about the stoops along Vara; she indicated there have been problems in the past with those kinds of entrances as they are set back from the street, have doors made of glass and as such, they set themselves up as an invitation to crime.

Mr. Cyr responded that there was a fair amount of consideration put into the entrances and that they will be addressed as they move forward with the design development but that they are not displayed in the drawings at this time. He indicated that they have looked at options that offer a degree of privacy and control of the personal space but not feel like a barricade at the same time.

Commissioner Covington inquired about how tall the ceilings are on the first floor because people on the outside will be able to determine fairly quickly whether or not that space is occupied, which is another safety concern.

Mr. Cyr indicated that the ceilings will be 9’4” tall. He stated that there is a horizontal mullion line which is at 6’ eye level and will have some kind of screening behind that window or frosted glass so as to eliminate the opportunity to see directly into that unit from the street. Mr. Cyr indicated that this was a challenging balance but that it seemed more important to provide the opportunity to allow those windows to open.

Commissioner Covington indicated her preference for the frosted glass and a good compliment. Ms. Covington inquired as to whether one had to use the stoop in order to reach the unit or is there an interior entrance from the garage.

Mr. Cyr responded that all of the units are accessed from the garage and the primary entrance is from the interior of the building. He indicated that a direct connection to the street was considered a preferable urban gesture in the city. Mr. Cyr stated that the tenant may choose to use the outside entrance as a primary access or it may be used primarily for guests.

Commissioner Covington inquired about whether each unit will have their own individual addresses.

Mr. Cyr indicated that there will be one address for the building.

Commissioner Covington indicated that lighting will be key for the outside entrances, such as timed lighting at night or for when tenants are on vacation or away so there will be no clue that people are not at home and which will also be visually pleasant for drivers or pedestrians passing by. Ms. Covington stated that having the lighting be consistent for all of the stoops would really help with security. Ms. Covington then inquired about the blue space in the interior.

Mr. Cyr responded that the blue space is the swimming pool and adjacent is a spa or hot tub and an area that connects the two courtyards via a breezeway, thus trying to engage the tenants with water in different ways. The third floor has a common use area on the interior with kitchen and living area and other socializing areas as well as a fitness component which connects ground, second, and third level. One of the features of the pool is that one of the corners connects to that common use area and there is also a waterfall, like an infinity pool. The idea is that even when the pool is not in use it will still be visually appealing. The pool is 20' wide and 50' long, about 3-4' deep and will be heated.

Commissioner Covington put forth a motion to move item 4(e).

Commissioner Bustos seconded Ms. Covington's motion.

President Swig inquired about the location of a hotel or two across the street and the traffic and noise coming from the hotels.

Mr. Cyr responded that along Channel Street it is primarily offices and lounge style lobbies. Mr. Cyr indicated that one of their goals was to have something that was going to work on all the streets. They did not consider avoiding what was happening across the street in the planning but rather to make it part of the neighborhood and in that way making each street special. Mr. Cyr mentioned that there are great views of the city and the ballpark, which were also part of the overall consideration.

President Swig stated that across the street there is a 550-room hotel, not that there is a shadowing issue, but he wanted to know what the height is from the hotel.

Mr. Cyr responded that portions of the site will go up to 160'.

President Swig underscored the challenge of designing a site such as this; but to take into consideration future developments; that there will be a hotel across the street of approximately 550 units.

Commissioner Ubalde inquired about what type of lighting will be installed and where will lighting be positioned in the area as far as public and pedestrian safety.

Mr. Cyr indicated that there is a street master plan which has regular lighting along all the public streets as well as the private street, so all the frontages will be heavily lit from the additional street light. The street lighting will provide substantial illumination at night and lighting will be provided at all of the individual stoops and other entrances to the building. He indicated caution to not overlight because of energy use but will make sure to have adequate illumination around the entire perimeter of the building so it is a safe place to be.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 61-2011, CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR A RESIDENTIAL BUILDING ON BLOCK 2 IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(f) Authorizing a Purchase and Sale Agreement with McCormack Baron Salazar, Inc., a Missouri corporation, for the sale of real property located at the southwest corner of Arelious Walker Drive and Carroll Avenue, Assessor's Parcel Block 4884, Lot 25, and adopting findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 62-2011)

Presenter: Kate Hartley, Agency Staff

Speakers: Espanola Jackson, Oscar James, Ace Washington

Commissioner Ubalde inquired about environmental impact implications that were referred to by the speakers.

Ms. Hartley responded that the parcel area is slightly over two acres and forms a western parcel in an area of the redevelopment district which consists of hundreds of acres. Ms. Hartley stated that last summer many hours of environmental review, presentations on infrastructure plans, construction standards, and structural design were conducted, all of which passed for approval. The issues raised were covered at the planning department, the board of supervisors and the Agency for all the acres in the district.

Commissioner Bustos indicated then that there seems to be a disconnect between what the people in the community are saying and what the Agency is saying and stated that he does not feel comfortable with this situation until there is resolution. Mr. Bustos stated that historically people in the southeast have been shortchanged and if it turns out that this land is not solid and there is an earthquake with liquefaction, once again a community that has been underserviced will be put in danger. Mr. Bustos stated that there needs to be more discussion around this issue to reveal the facts and that the fears that are being brought forth are legitimate and need to be alleviated. Mr. Bustos stated that he did not want to move this item right now until this is fixed.

Ms. Hartley responded that this parcel consists of the two acres that are immediately adjacent to Alice Griffith, with the same soil conditions. There were extensive reviews of the build ability of the parcels. The developer has issued an RFP for an architect for Phase I and master planning, of which one of the most important parts is for the architect and the development team to work with the residents to talk about structural issues, the foundation system, the utility installation and to assure the residents that the building standards that they will be implementing on soils like this, which have had success in the past in build-outs in other locations of the city, will be safe. Ms. Hartley indicated that they were hoping to move forward with that plan so they can get the HUD grant funds available to accelerate that process so that they can get to the residents and talk about all of these issues in a very detailed and thorough manner and not in a general, vague way. The plan is for the residents, the architects and engineers to have regular working sessions which the master planning process will achieve.

Mr. Bustos clarified then that what they were actually approving at this meeting was the process to begin working with the community and obtaining the information so that everyone feels safe and comfortable.

Mr. Blackwell clarified that the actual conveyance of the state land to the Agency was part of the decision-making that took place last summer when the disposition of development agreement was approved for the overall project. The conveyance of the state land has already been approved. Mr. Blackwell also clarified that the action right now is just a purchase and sale agreement. The development agreement still needs to come before the Agency and in between now and then will have the opportunity for the residents and the builders to have their discussion.

Commissioner Bustos asked Ms. Jackson if she understood what was just said.

Ms. Jackson stated that she did not understand what was just said.

Commissioner Bustos indicated that they need to get to the point of resolution.

Ms. Hartley responded that this is a very isolated action which does not approve any building or any specific architectural design. This will enable the Choice Grant to move forward because it would establish site control for the developer but first all the work related to closing the state parks and the trust exchange agreements would have to occur. Ms. Hartley indicated that they are a long way off from any building and will be back before the Agency to report on the architectural process; they are anxious to move forward with the master planning and work with the Alice Griffith tenants to lay out these issues before them. This action is critical to obtaining the funding from the Choice grant, which will move the process forward faster.

Commissioner Covington stated that she would feel more comfortable about this issue if she had members of the CAC present. She inquired as to whether this issue had come before the CAC.

Ms. Hartley indicated that they presented this to the Bayview Hunters Point project area committee which is the general process of the Choice Neighborhoods grant and the transfer of these properties was enthusiastically supported. Ms. Hartley indicated that they had met with the Board of Supervisors previously that day and had resident support. Ms. Hartley reiterated that the message received was that anything they can do to accelerate the Alice Griffiths revitalization process, including these land transfers and the Choice grant is supported.

Commissioner Covington indicated that she was happy to hear about the Board of Supervisors being in favor of this, but still wanted someone from the community with a different opinion. Ms. Covington stated that what they are hearing is that they still need more information about the safety protocols as well as addressing the possibility of liquefaction during a major earthquake and indicated that she would like to continue this item.

Commissioner Anaya seconded the continuance of this item.

Director Blackwell responded that the Choice Neighborhood grant application is due June 1 and if they do not have site control in place, they will be foregoing the opportunity to apply for the $31 million grant. Mr. Blackwell explained that this is a part of the overall package of approvals from the last Agency meeting in preparation for that grant application and that this part is just a trailer. All the support from the community was voiced at the last meeting; however, those people are not present at this meeting.

Commissioner Covington stated that this explanation would not be sufficient for her to move this item and she thought there needed to be a special meeting of a one-item agenda at which they can address this issue. Ms. Covington inquired of Mr. Blackwell whether he had received any community calls related to this.

Mr. Blackwell indicated that he had received resounding community support for applying for the Choice Neighborhood grant.

Commissioner Covington stated that earlier someone stated that they could not get in touch with her and she replied that she is always available to the public and always returns phone calls. She stated that three weeks ago she requested a new phone and wanted that request expedited.

Ms. Hartley indicated that given the time sensitivity of the application, she stressed that this is an action that is related to the timing of the HUD grant but that they will be back before the Agency before anything happens on the parcels for schematic design approval, development agreement, etc. Ms. Hartley explained that there will be many opportunities in the future to stop development if there is no subsequent satisfaction on the questions raised here regarding building, design and structural standards.

President Swig indicated that he would like to hear from all the commissioners as to their position on this issue before issuing a continuance.

Commissioner Covington indicated that she was not trying to railroad the process.

Commissioner Anaya stated that she felt very uncomfortable approving this resolution tonight. Ms. Anaya indicated that before Commissioner Covington mentioned a continuance, that she was going to suggest a continuance also. Ms. Anaya stated that communication with the community could occur even in one week, and that they must be able to respond to the concerns and questions of the community.

Commissioner Ubalde indicated that the action before them is very timely and sensitive and because of her experience working with federal grant requests, she stated that they are in danger of losing $31 million dollars if they do not take action. Ms. Ubalde heard a resounding amount of support from the community at the last Agency meeting and there will be continued conversations with the community as there have been in the past in the Bayview project with residents, the CAC, staff and other representatives from those impacted by the development there. Ms. Ubalde acknowledged what Ms. Jackson and others said but she did not support a continuance and believed they should move forward with the action so as not to lose the opportunity to get the $31 million and be able to implement a very needed service in the community that they have been waiting for over a long period of time.

Commissioner King indicated that they have debated this issue and they should not delay it any longer and made a motion to move forward with the action.

Commissioner Bustos acknowledged that no one is going to be 100% for this issue on either side, but if they are able to address some of these concerns then he felt that he could move forward with the action. Mr. Bustos acknowledged the time sensitivity pertaining to a grant deadline for that amount of money but wanted to move forward with the understanding that nothing will be built until they have some very clear conversations with the community to alleviate some of these concerns. Mr. Bustos seconded the item.

Vice President Singh stated that he was going to second the motion to move this item.

President Swig indicated that he thought it would be irresponsible to not move forward because they risk losing a $30 million grant. Mr. Swig stated directly to Ms. Hartley that for the record, nothing will be built on the site without the approval of the Agency and that even if they get the grant and buy the land, that action does not affirm or suggest approval of building anything on the land at this point. Mr. Swig reiterated that the purpose of approving the item tonight is to allow the Agency to appeal for a $30 million grant but does not approve any building or acknowledgment of the condition of the land on the site, but simply allows the Agency to support the community by getting the application for the grant accomplished. Mr. Swig asked Ms. Covington if she would like to withdraw her continuance.

Ms. Covington stated that she had a second to her motion to continue so she needed a moment to think about it.

Ms. Anaya indicated that she did not think they would lose the investment if they postpone this action for one week. Ms. Anaya inquired as to why the Agency would make an investment of money only to find out later that this site is not an appropriate place to build upon. Ms. Anaya again reiterated that they should conduct more investigation before moving forward with the item.

Director Blackwell clarified that this action is not a purchase but a conditional sale. The action to convey the land to the Agency was a decision that was made when the development agreement was approved last August. The land is coming to the Agency from the state and what this action will do is allow the Agency to sell the land to McCormack Baron Salazar conditionally upon the approval of a Choice Neighborhood grant. Mr. Blackwell indicated that there are still subsequent approvals that need to take place in order to execute the development.

President Swig added that with that potential sale to the developer there will be full disclosure, full due diligence, full disclosure of everything that is required, because this may be land which is inappropriate for development regardless of the blanket of the environmental findings of the project. Mr. Swig stated that perhaps this little two- acre square may be deemed inappropriate for development but that will be fully disclosed to the developer. At that time, even if they choose to buy it, the Agency will be subject to further testimony, study and determination that this piece of land is either appropriate or not for development and they will still have the option of saying no. Mr. Swig stated that he felt there were sufficient safety contingencies in place as well as public and community support to move forward with this and not jeopardize the grant.

Commissioner Covington indicated that if the other commissioners are comfortable with moving the item, she would withdraw her motion to continue for a week.

Commissioner Anaya indicated that she would withdraw her second.

Commissioner Covington wanted everyone to understand the reasons for her hesitancy, which was to ensure that the checks and balances are in place because even though there was support at the first meeting, it is known that any discussion of redevelopment is a volatile discussion and there needs to be checks at every point with community members. Ms. Covington stated that she wanted the CAC members to be aware of that as well and that it was the absence of the CAC at this meeting that was daunting for her.

Mr. Swig acknowledged the motion to move the item from Commissioner King with a second from Commissioner Bustos. Mr. Swig acknowledged the need to honor and respect the concerns of Ms. Jackson and Mr. James; whose positions he felt should be recognized more fully than any engineers and soils specialists because they have history with the area. Mr. Swig indicated that his position was to move this item forward for the better good of the community with the pledge that the Agency will protect the community interests.

ADOPTION: IT WAS MOVED BY COMMISSIONER KING, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 62-2011, AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH MCCORMACK BARON SALAZAR, INC., A MISSOURI CORPORATION, FOR THE SALE OF REAL PROPERTY LOCATED AT THE SOUTHWEST CORNER OF ARELIOUS WALKER DRIVE AND CARROLL AVENUE, ASSESSOR'S PARCEL BLOCK 4884, LOT 25, AND ADOPTING FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4. MATTERS NOT APPEARING ON AGENDA: NONE

5. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA BUT AGENCY-RELATED MATTERS:

Tessie Ester, Lee Otis Martin, Espanola Jackson, Ace Washington, Oscar James, Larry Del Carlo

6. REPORT OF THE PRESIDENT

- President Swig encouraged everyone to attend the honoring of Commissioner King and the late, Jim Jefferson with their plaques at the Heritage Center the next evening. Mr. Swig commended Mr. King and Mr. Jefferson who have been the cornerstones of their communities.

- President Swig requested that the Executive Director look at the opportunity of getting feedback on the key issues as discussed previously by the speakers on hiring, discrimination, or any questions raised. Mr. Swig also requested that at every Agency meeting an update on hiring practices be incorporated into the Executive Director's report, which will include staff, CityBuild, and the developers entrusted by the Agency, and hold them all accountable with the progress that should be happening out there, and state why or why not people are getting hired. Mr. Swig indicated that the Agency and staff should be able to provide the assistance they need in hiring so that locals do not have to take things into their own hands and, in that way, they can move forward in correcting any injustices or wrongs going on and everyone will be made aware of what is going on. Mr. Swig went on to state that any corrective measures that are requested by the community of any Agency-related entity will be looked into on an official level and dealt with as need be.

7. REPORT OF THE EXECUTIVE DIRECTOR

- Director Blackwell responded that on the issue of hiring at Hunters View, he would be happy to report on progress on the Executive Director report. He stated his frustration about complaints coming from the community that are out of line with the numbers they are receiving. Mr. Blackwell indicated that the numbers being presented in terms of work hours are over 60% for San Francisco residents, over 40% for Hunters View residents and 13% by residents in the 94124 area, which are numbers that exceed the Agency's goals for hiring and are higher than any other project that they have worked on. Mr. Blackwell stated that the first line of action is to understand why the numbers are so out of line with what they are hearing from the community. The numbers he is seeing deserve praise rather than the level of criticism they are receiving.
- Director Blackwell reported on the action in Sacramento and stated that the Governor released the revised budget with the elimination of redevelopment still in the Governor's proposal. Mr. Blackwell felt that this question is not likely to be resolved until the budget is resolved. The reform measures brought up at the last Agency meeting will see their way into the budget debate regarding redevelopment. Mr. Blackwell stated that in the past couple of years they had not seen budgets at the state level until around October. This year, because of voter action, if the budget is not approved by the legislature on June 15 and signed by the Governor by July 1, the legislators will not be

paid. Mr. Blackwell indicated that it will probably not be until October that any real budget is produced.

- Director Blackwell acknowledged that Mr. Del Carlo and his staff have been working on the depository agreement for a while which, to his understanding, is an action that does need to come before the Agency. Mr. Blackwell indicated that he will discuss at the next Agenda Review with the President and Vice President that the item be calendared on the agenda for the next meeting.

8. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Anaya wanted to make sure that the issue about the Mission Housing Development Corporation is on the agenda for the next meeting and thanked Mr. Blackwell for doing that. Ms. Anaya also inquired about what is being done about bringing small developers along with the big developers from the city as well as from the underserved communities. Ms. Anaya stated that she would like some proof that this is really happening and would like to see how they are making sure that they are carrying out affirmative action for developers and for contractors. Ms. Anaya inquired if they could take a look at the contracts of the big developers they now have working throughout the city and make sure that those contractors and subcontractors are members of the community.

- Commissioner Bustos reminded the audience that redevelopment was created because of blight which was created because of historical neglect of communities. He stated that what they are trying to do in Bayview Hunters Point is what they owe to the community to rebuild the community and to give the community a place they can be proud of. Mr. Bustos stated that if they allow redevelopment to be eliminated, it will not help the cause of those underserved communities but will undermine it. He indicated that they need to be very vocal about the need to keep redevelopment and make use of the delegation to keep redevelopment in the minds of everyone, especially those who want to vote against it. Mr. Bustos requested a special meeting on a Saturday in Bayview, hosted by the Agency and suggested they invite the delegation, the assembly members and the state senators to come and present to the community why they are against redevelopment. He reminded everyone that the Agency commissioners are appointed by the Mayor because they are community people and at least deserve that much respect. But most importantly, he felt that those people who are going to vote against the community need to have the guts to go out into the community and tell the community why they are voting against redevelopment. Mr. Bustos indicated that he would very much like to work with President Swig, Vice President Singh and Executive Director Blackwell on this project.

    - President Swig stated they would take the suggestion under advisement during agenda setting.

- Commissioner Ubalde requested an update on the discussions between Westfield and the Mission hiring hall, what was going on with the job workforce development piece around the local hiring of people for developing that area as well as the discussion around the Filipino Cultural Center. Ms. Ubalde requested a brief update and then continuous updates on this issue.
    - Director Blackwell stated that the brief update on the Filipino Cultural Center is that the Cultural Center has raised the point with Westfield that the money that was set aside for tenant improvements was not enough and are requesting that Westfield set aside more money for that purpose. At this point Westfield's position is that a deal was broken, that it was publicly stated and they don't have any more money to provide for that. Mr. Blackwell indicated that he has been trying to broker a deal for the past two weeks and they are at an impasse. His recommendation would be to put this item on the agenda over the next couple of weeks in order to provide the Agency with an update.
- Commissioner Ubalde stated that she would like to recommend that action to the Executive Director through the chair to schedule that item for the next meeting.
- President Swig stated that jurisdictionally the Yerba Buena Center is no longer a redevelopment area and inquired as to what the Commission can actually achieve other than have a hearing to surface the issues.
    - Director Blackwell indicated that was about all they could do because the Agency does not have the same kind of leverage that they once had in this issue; however, the fact is that the Agency did approve the MOU and the agreements with Westfield and the Filipino Cultural Center when they provided approval for the renovation. An update on the aspects of the agreement that are still outstanding make sense but will not bring much power into the issue.
- President Swig agreed that they will put this issue on the agenda but questioned who has the hammer to break the impasse.
    - Director Blackwell stated that he believed both sides of the negotiation need prodding to move forward.
- Commissioner Singh agreed 100% with Commissioner Ubalde that they had been trying to complete this for a long time and they should put this on the

agenda and find something for the Filipino Cultural Center. Mr. Singh also agreed with Commissioner Anaya about the fact that they now have lots of big contractors and should have some small contractors to do some of the jobs, like the Mission Housing Development Corporation.

- Commissioner King inquired as to what is actually on the agenda for the next meeting and wanted to make sure that the issue about the Filipino Cultural Center does get on the agenda as well as Mission Housing Development Corporation.

- President Swig agreed that both those items will be on the agenda for the next meeting.

9. CLOSED SESSION: None

10. ADJOURNMENT:

It was moved by Commissioner King, seconded by Vice President Singh, and unanimously carried that the meeting be adjourned at 7:22 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

July 19, 2011

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 7th DAY OF JUNE 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 7th day of June 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Miguel M. Bustos
Francee Covington
Leroy King

And the following were absent:

Agnes Briones Ubalde

Fred Blackwell, Executive Director, and staff members were also present.

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2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS. None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA :

ALL MATTERS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE REDEVELOPMENT AGENCY COMMISSION, AND WILL BE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A MEMBER OF THE COMMISSION OR THE PUBLIC SO REQUESTS, IN WHICH EVENT THE MATTER SHALL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED AS A SEPARATE ITEM:

(a) Approval of Minutes: Regular Meeting of March 1, 2011

(b) Authorizing an Amended and Restated Depository Agreement in the amount of $940,000 with Mission Housing Development Corporation, a California public benefit corporation and the Mayor's Office of Housing in conjunction with the acquisition and rehabilitation of 63 very low income rental units, Mariposa Gardens, to identify projects to be rehabilitated and to permit the use of funds for administration; Citywide Tax Increment Housing Program. (Resolution No. 63-2011)

(c) Authorizing a First Amendment to the Personal Services Contract with MJM Management Group to increase the budget by $30,000 for a total amount not to exceed $555,000 for steam cleaning, power washing, tree maintenance, and litter and graffiti control services for the newly improved alleyways between Mission, Folsom, Sixth, and Seventh Streets; South of Market Redevelopment Project Area. (Resolution No. 64-2011)

(d) Authorizing a Second Amendment to the Personal Services Contract with the Central Market Community Benefit District to increase the budget by $150,000, for a total not to exceed $450,000, and extend the term by one year, ending June 30, 2012, to continue the community guides program on Sixth Street and adjacent alleyways to provide social service outreach and assistance to businesses, residents and visitors; South of Market Redevelopment Project Area (Resolution No. 65-2011)

(e) Authorizing a 2011-2012 Fiscal Agent Agreement with the County of Marin in an amount not to exceed $380,500, from July 1, 2011 to June 30, 2012; Housing Opportunities for Persons with AIDS Program. (Resolution No. 66-2011)

(f) Authorizing a 2011-2012 Fiscal Agent Agreement with the County of San Mateo in an amount not to exceed $878,500, from July 1, 2011 to June 30, 2012; Housing Opportunities for Persons with AIDS Program. (Resolution No. 67-2011)

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT APPROVAL OF MINUTES FOR THE REGULAR MEETING OF MARCH 1, 2011; RESOLUTION NO. 63-2011, AUTHORIZING AN AMENDED AND RESTATED DEPOSITORY AGREEMENT IN THE AMOUNT OF $940,000 WITH MISSION HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA PUBLIC BENEFIT CORPORATION AND THE MAYOR'S OFFICE OF HOUSING IN CONJUNCTION WITH THE ACQUISITION AND REHABILITATION OF 63 VERY LOW INCOME RENTAL UNITS, MARIPOSA GARDENS, TO IDENTIFY PROJECTS TO BE REHABILITATED AND TO PERMIT THE USE OF FUNDS FOR ADMINISTRATION; CITYWIDE TAX INCREMENT HOUSING PROGRAM; RESOLUTION NO. 64-2011, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MJM MANAGEMENT GROUP TO INCREASE THE BUDGET BY $30,000 FOR A TOTAL AMOUNT NOT TO EXCEED $555,000 FOR STEAM CLEANING, POWER WASHING, TREE MAINTENANCE, AND LITTER AND GRAFFITI CONTROL SERVICES FOR THE NEWLY IMPROVED ALLEYWAYS BETWEEN MISSION, FOLSOM, SIXTH, AND SEVENTH STREETS; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA; RESOLUTION NO. 65-2011, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE CENTRAL MARKET COMMUNITY BENEFIT DISTRICT TO INCREASE THE BUDGET BY $150,000, FOR A TOTAL NOT TO EXCEED $450,000, AND EXTEND THE TERM BY ONE YEAR, ENDING JUNE 30, 2012, TO CONTINUE THE COMMUNITY GUIDES PROGRAM ON SIXTH STREET AND ADJACENT ALLEYWAYS TO PROVIDE SOCIAL SERVICE OUTREACH AND ASSISTANCE TO BUSINESSES, RESIDENTS AND VISITORS; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA; RESOLUTION NO. 66-2011, AUTHORIZING A 2011-2012 FISCAL AGENT AGREEMENT WITH THE COUNTY OF MARIN IN AN AMOUNT NOT TO EXCEED $380,500, FROM JULY 1, 2011 TO JUNE 30, 2012; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM; AND, RESOLUTION NO. 67-2011, AUTHORIZING A 2011-2012 FISCAL AGENT AGREEMENT WITH THE COUNTY OF SAN MATEO IN AN AMOUNT NOT TO EXCEED $878,500, FROM JULY 1, 2011 TO JUNE 30, 2012; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

REGULAR AGENDA

AGENDA ITEMS 4(g) – 4(n) WERE PRESENTED TOGETHER, BUT ACTED ON SEPARATELY

(g) Authorizing a Personal Services Contract with Goodwill Industries of San Francisco, San Mateo & Marin Counties, a California nonprofit Corporation, in a total aggregate amount not to exceed $360,500, for workforce services in connection to the agency's Job Readiness Initiative, for a term of twelve months with one six month extension option; Bayview Hunters Point, Hunters Point Shipyard and Visitacion Valley Redevelopment Project Areas. (Resolution No. 68-2011)

(h) Authorizing a Personal Services Contract with Girls 2000, a California nonprofit Corporation, DBA Hunters Point Family, in a total aggregate amount not to exceed $210,500, for workforce services in connection to the agency's Job Readiness Initiative, for a term of twelve months with one six month extension option; Bayview Hunters Point and Hunters Point Shipyard Redevelopment Project Areas. (Resolution No. 69-2011)

(i) Authorizing a Personal Services Contract with San Francisco Conservation Corps, a California nonprofit Corporation, in a total aggregate amount not to exceed $300,000, for workforce services in connection to the agency's Job Readiness Initiative, for a term of twelve months with one six month extension option; Bayview Hunters point, Hunters Point Shipyard and Visitacion Valley Redevelopment Project Areas. (Resolution No. 70-2011)

(j) Authorizing a Personal Services Contract with Young Community Developers, Inc., a California nonprofit Corporation, in a total aggregate amount not to exceed $210,000, for workforce services in connection to the Job Readiness Initiative, for a term of twelve months, with one six month extension option; Bayview Hunters Point and Hunters Point Shipyard Redevelopment Project Areas. (Resolution No. 71-2011)

(k) Authorizing a Personal Services Contract with Asian Neighborhood Design, a California nonprofit Corporation, in a total aggregate amount not to exceed $100,000, for workforce services in connection to the agency's Job Readiness Initiative, for a term of twelve months, with one six month extension option; Mission Bay, South of Market, and Transbay Redevelopment Project Areas. (Resolution No. 72-2011)

(l) Authorizing a Personal Services Contract with Positive Resource Center, a California nonprofit Corporation, in a total aggregate amount not to exceed $100,000, for workforce services in connection to the agency's Job Readiness

Initiative, for a term of twelve months, with one six month extension option; Mission Bay, South of Market, and Transbay Redevelopment Project Areas. (Resolution No. 73-2011)

(m) Authorizing a Personal Services Contract with Mission Hiring Hall, Inc., a California nonprofit Corporation, in a total aggregate amount not to exceed $403,000, for workforce services in connection to the agency's Job Readiness Initiative, for a term of twelve months, with one six month extension option; Mission Bay, South of Market, and Transbay Redevelopment Project Areas (Resolution No. 74-2011)

(n) Authorizing a Personal Services Contract with Asian Neighborhood Design, a California nonprofit Corporation, in a total aggregate amount not to exceed $100,000, for workforce services in connection to the agency's Job Readiness Initiative, for a term of twelve months, with one six month extension option; Visitacion Valley Redevelopment Project Area. (Resolution No. 75-2011)

Presenter: Christina Garcia, Agency Staff

Speakers: Oscar James, Shirley Jones, Bradley Bradley, Shawn McFallin, Lyn Rawls, Don Marcos, Diamond Stewart, Domico Dones, Shamann Walton, Victor Marquez, Malama Kuka, Jermaine Jackson, Lena Im, Stevie Norris, Laurie Bernstein, Coy LaVan Harris Jr., Steve Suzuki, Jamie Brewster, Michael Swenk, Jeremy McClure, Ace Washington, Antoinetta III, Claude Everhart, Melody Daniel, Markeisha Law, Sawna Joyce, Janet Gomes, Brett Andrews, DeWitt Lacy, Kathy Perry, Dorris Vincent

Commissioner Bustos thanked the clients of all the agencies for coming out to speak and share their experiences with so much heart. Mr. Bustos explained that it is a very difficult situation but he was of the opinion that something could be worked out. Mr. Bustos reminded the audience that redevelopment was created to eliminate blight and build communities and people, not just to build buildings. He stated that the Commission did not want to be put in a situation where they had to choose one organization over another because they are all doing such a great job helping the community but acknowledged that everyone was going to lose something. Mr. Bustos suggested they move everything except for Mission Hiring Hall (MHH) and Young Community Developers (YCD), which would solidify the rest of the money and then figure out the rest later outside of this budget item.

Director Blackwell explained that moving all the items except for Mission Hiring Hall and YDC would severely limit the Agency's flexibility to be responsive to those two agencies, because the reality is that there is no new money so it would be almost impossible to be able to help those two organizations. He suggested the best thing to do would be to discuss the reasons behind the recommendations that have been brought forth before continuing even though it may not change anything.

President Swig suggested that they take Director Blackwell's suggestion and have Ms. Garcia elaborate on the two most difficult choices, which are MHH and YCD, and provide more reasoning on why their funding has been jeopardized.

Ms. Garcia responded that for the northeast sector they had $900,000 in the first round of funding for the first 18 months and they will have $603,000 available for the next 18 months. This is directly related to the closure of the Yerba Buena Center (YBC) project area and there is no more additional tax increment money being generated and they are not providing those workforce services to the YBC service area as they move forward. This represents both a reduction in funding as well as a reduction in the scope of services. In addition, they had previously been outsourcing the administration of these contracts to the (inaudible) and the Mayor's office and not doing much of the due diligence themselves to look at who the organizations were serving. Now that they have systems in place, they are able to see much more clearly who the organizations are serving and what the outcomes are. To date, the MHH South of Market Employment Center (SMEC) has served 811 people, of whom only 32% (259) people have been project area residents. Of those 259, only 63 people were actually South of Market residents, which includes the entire 94103 zip code. The SMEC has been funded historically to serve South of Market project area residents and the employers within YBC primarily. They are only serving 63 people in the first 17 months. The additional people they have served to get to the 32% are comprised of: 132 people (16%) from Bayview and 64 people (8%) from 94134. Ms. Garcia reiterated that the reason for community redevelopment law and tax increment money is to remove blight in project areas and part of that blight is to help build up the people in those project areas and allow them the economic opportunities and the jobs created in those project areas. In the past the Agency has been providing SMEC funds to do that but they have observed in the first 18 months that SMEC is serving a very small proportion of project area job-seekers. The review committee discussed the risks, particularly at this time with the potential elimination of redevelopment, the challenges and concerns about the Agency spending its funds appropriately and the criticism that redevelopment agencies are not supporting general city services and city programs that should be funded through city dollars. The committee felt it was crucial to decrease the redevelopment investment to equal the proportion of people that SMEC was actually serving from the project area. The funding recommendation from the review committee is proportional to that 32% so they can continue to serve those project area residents. Ms. Garcia also indicated that they have had multiple conversations with SMEC about this issue, starting with the beginning of contract negotiations and orientation to this program. Ms. Garcia stated that SMEC and YCD have been receiving funds from the Agency for a long time. The JRI initiative is a new way of doing business for the Agency and she acknowledged that it may be painful to adjust to the new program. As such, they have tried to give both organizations as much support and leeway to move to a point where they were truly providing the job readiness services that were part of the RFP and that they were contracted to do. As noted in the 6-month and 12-month reports, they made a point to let SMEC know that they were proportionately serving a very small number of project area residents in order to try to make sure that outreach efforts would increase. The Agency suggested that they partner with the JRI providers in the southeast to increase their area of influence but unfortunately they have not been able to move the dial in a positive direction and in fact the percentage continues to decrease. Ms. Garcia claimed that SMEC has been unable to increase their outreach efforts in order to attract those project area job seekers and serve them with redevelopment funds.

Commissioner Bustos inquired about whether there was a way the city could help with the situation if 32% are from the project area and the rest are San Francisco residents that are trying to get into these programs.

Director Blackwell responded that he has offered to have conversations with the board members from MHH. He stated that in the spirit of full disclosure everybody knows that the Agency is not the only entity to have a constraining budget situation. Mr. Blackwell stated that he was not sure what the city's ability would be to respond to a request like that.

Ms. Garcia went on to talk about YCD in Bayview. She displayed the review committee scores for the four organizations and the funding levels. The review committee was comprised of a total of 9 people who participated in the review process, of which two were Agency staff, 4 were community representatives, and the rest were from the Mayor's office and other city staff. Ms. Garcia indicated that even though YCD had the lowest score of all of the recommended organizations, it is still receiving the second highest recommendation in Bayview, which is just $500,000 less than Hunters Point Family (HPF). The HPF recommendation does represent an increase in funds because the review committee saw through their proposals that they were incorporating the best practices, particularly of paid work experience, in order to better serve their job seekers. Ms. Garcia referred to Mr. Walton's comment during public comment that YCD has served the largest number of people within the Bayview; however, JRI made a shift from the historic way of funding and is focused on quality of services vs. quantity of services. One of the problems identified prior to JRI coming into the community is that many of the CBO's did not have the ability to provide the comprehensive services needed in order to get somebody job-ready.

YCD was the primary service provider in the Bayview Hunters Point and was also doing construction placement. CityBuild now does the construction placement for the Agency and they have been getting excellent results from that. When they entered into the contracts for JRI, they spoke with each of the providers about the concept of quality vs. quantity ($4,000 per job-seeker to help them remove their barriers). What they have seen with YCD is that they are very good at removing and addressing the transportation and childcare barriers and are typically able to remove those barriers within one day. Where they have lacked success is on the more long-term barriers such as criminal history, education, behavioral health, etc. and within their proposal they did not adequately address how they were going to improve or adapt their services in order to be able to make those commitments. Ms. Garcia reiterated that JRI is set forth as a competitive process and the review committee felt that the three other organizations being recommended had demonstrated a much stronger ability to help the job-seeker in all service areas than YCD. In addition YCD was placed on a 90-day probation after the first six months because they were having significant problems in their outcomes across the board and they were given a clear list of recommendations set by the review committee, including developing a job-readiness training curriculum, developing stronger outreach, looking at their organizational and case-management structure, etc. and it took them a significantly longer time to meet those benchmarks. Nevertheless, it was felt that YCD was making very strong progress even in the midst of an executive leadership transition. Ms. Garcia stated that YCD has put in the work; however, YCD still has room to grow and they still tend to lean on quantity, touching multiple people lightly, rather than fewer people deeply and making those systemic changes. In addition, YCD represented within their proposal that they had received an award from the Office of Economic & Workforce Development (OEWD) for the JRS (Jobs Readiness Services) program. The JRS program looks similar to the JRI program but its outcomes and emphases are flipped, so instead of focusing on people with 2 or 3 barriers, JRS focuses on people with one barrier and moving them forward quickly. The review committee felt that the JRS program was a much better match for YCD given their track record and their service delivery and felt a reduction from JRI was appropriate.

Commissioner Anaya asked Ms. Garcia to comment on the statement made about the quorum not being present when the recommendations were made.

Ms. Garcia deferred to Mike Grisso, Project Manager for South of Market Project Area.

Mr. Grisso explained the matter was held before the executive sub-committee of the PAC and a vote to support the staff's recommendation. When the item was moved to the full PAC, there was not a quorum present. The issue was discussed with the remaining PAC members and it was decided without any objections to move forward based on the executive sub-committee's recommendation.

Commissioner Covington wanted to thank all the young people who came out this evening to tell their stories. Ms. Covington acknowledged that many of them might have been nervous speaking before a commission for the first time, and commended all of them for the fabulous job they did in speaking and hoped they will continue to be involved in the life and discussions of San Francisco. Ms. Covington also thanked the people in the PAC's and the CAC who participated in the whole process and thanked Agency staff. Ms. Covington explained that she has been very involved in JRI for the past two years and the monthly meetings that have been held about the need for a barrier removal in education and a smooth, continuous process. Ms. Covington acknowledged the Agency's constrained budget; however, she noted that YCD was given a list of corrective actions and everything was checked off that list a year ago. Ms Covington indicated that YCD has made great progress, they have a new Executive Director who is performing extremely well, and her concern is that when the Agency gives money to new organizations, it is tantamount to being last hired, first fired, which is something the community is very familiar with. Ms. Covington stated that there must be some remediation in the numbers for YCD because they are moving in the right direction. Ms. Covington stated that YCD has a tremendous amount of good-will in the community, people have relied upon them for years and that even during the rocky times, YCD is known to the community and people feel very comfortable going to them. Ms. Covington indicated that people are reticent to go to new organizations because of all the changes and the upheaval that goes along with change. Ms. Covington inquired about the money allocation from Ms. Garcia.

Ms. Garcia responded that YCD applied to serve Bayview only, so in terms of budget, the allocation for YCD would be for Bayview only and no new organizations are being recommended in that area.

Commissioner Covington asked Ms. Garcia to explain the $90,000 decrease in the YCD budget and how that figure was arrived at.

Ms. Garcia explained that in the first round they had a total of $725,000 available and now they have $701,500 and that is the first portion of the decrease in available funds and would be represented within the YCD recommendation. In addition, HPF was recommended for an additional $30,000 and Goodwill is being recommended for an increase in Bayview of $156,000.

Commissioner Covington recommended that the $3,650 increase for Goodwill, the $8,040 increase for the Conservation Corps and part of the $30,000 increase for HPF be considered for YCD, with the proviso that discussions with them regarding a deeper concentration on barrier removals be considered a benchmark that they would have to meet.

Ms. Garcia responded that the way the review committee asserted the recommendations and the way they have funded organizations through JRI is on a per-jobseeker cost that is asserted by each of the individual organizations in their programs. Ms. Garcia indicated that they would have to go back to the review committee to look at the total number of people served in order to make changes in those outcomes. For example, the overall increase for Conservation Corps or Goodwill is $3,650, which does not necessarily equal one jobseeker, so they have had to round off some of the recommendations at the direction of the review committee so that they make sure they are funding each organization to serve X number of people. Ms. Garcia stated that there is a range for each organization. With Goodwill, 25% of their award goes directly into their jobseeker pocket through stipends and incentives and the paid work experience and another 25% of their grant budget goes to non-profits within the community that they are partnering with.

Commissioner Covington responded that she felt that all of the community based organizations are golden and she had nothing negative to say about any of them. Ms. Covington indicated that she was very heartened to hear the testimonies of the people that had spoken on behalf of the services they had received. Ms. Covington stated that she was not sure about having to go back through the entire process and that the reason they are there tonight is to make a decision so the monies can flow for barrier removal. People have been waiting and are still waiting and a decision needs to be made at this meeting to move forward.

Director Blackwell responded that one way to move on Ms. Covington's recommendation would be to simply provide a restoration number for YCD, rather than try to figure out where to extract monies, and in that way give the Agency more flexibility in figuring out how to get there.

Commissioner Covington inquired as to whether YCD is receiving any money for paid work experience.

Ms. Garcia responded that YCD has not incorporated paid work experience into their program.

Commissioner Covington inquired as to whether paid work experience was included in the RFP.

Ms. Garcia responded that within the RFP was a section where people could propose innovative programs and paid work experience through those programs. YCD did propose additional training programs but they did not include paid work opportunity stipends.

Commissioner Covington stated that this brings up the point that Commissioner Bustos made which is that you have a national organization that has in-house best practices from all over the country and then you have a CBO that has concentrated all of its energy and creativity in one community. She indicated that YCD should not be penalized for not having offered that program while money is available, which you can tell them to use for a specific activity.

Ms. Garcia stated that one could draw the same parallel with HPF as a very neighborhood focused type of organization, and that HPF has actually incorporated paid work experience into their program. The review committee noted that HPF did incorporate those best practices in their proposal for the second round. Ms. Garcia reiterated that this is a competitive bid for proposals and is focused on looking for the best possible programs and services to meet the needs of the community and the scores of the review committee reflect their recommendations on which of those programs would provide the best services for the neighborhood.

Commissioner Covington inquired about who were the four community people on the panel.

Ms. Garcia responded Jason Tramew from Bayview PAC, Christine Johnson from the Shipyard CAC, Christina Charles from the Visitacion Valley CAC and a resident of Sunnyvale, and Terra Whee, also from Visitacion Valley. Ms. Garcia also stated that Dorris Vincent was a representative at the full PAC to champion these recommendations and who was also a huge supporter of JRI. She stated that the Bayview PAC did endorse the recommendations of the review committee.
Commissioner Covington inquired as to whether Ms. Vincent was on the review panel.

Ms. Garcia responded that Ms. Vincent was not on the review panel.

Commissioner Covington stated that she would like to hear from the one members of the review committee and also from Ms. Vincent, who are both present at the meeting.

Mr. Jason Tramew, Bayview Hunters Point resident, PAC member, and representative member of the JRI review committee, stated that he wanted to make two points about scope of work and he thought that the staff spoke directly to that issue. The review committee felt that the scope of work of the JRI was about multi-barrier deep service and they reviewed the scope of work presented in the proposals. They selected organizations including YCD that were the strongest applicants in that regard but also in their relative merits they selected applicants for funding that reflected their scope of work. The second is the process. This was a review committee for the southeast community that went through the Economic Development Employment and Housing subcommittee which unanimously approved, then went to the full PAC, and with the exception of one member, was unanimously approved with the recommendations as they are right now. Mr. Tramew stated that it was very difficult to make cuts to anyone but that the JRI is a program designated for a specific scope of work.

Ms. Vincent acknowledged how difficult the job was going to be and that all the organizations came before the CAC. Ms. Vincent explained that she is the chair of the Business & Employment subcommittee. She stated that she did believe that the review committee did an excellent job according to what they had before them. Ms. Vincent indicated that she has always been a strong supporter of YCD; her own daughter graduated from their program. Ms. Vincent stated that she thought they moved up with the problems that they were having because of who they are. She stated that she was not sure where the Agency was going to find the money because it wasn't on the table when the review was being done.

Commissioner Covington reiterated that she had made a recommendation, not a formal motion, that there be additional monies found for YCD, which she understood would decrease the amounts given to the other organizations. Ms. Covington stated that she was in no way recommending that the entire $90,000 be restored but that some amount between $30,000 and $40,000 be restored to YCD. She understands that it is all about numbers and stated that she would be happy to have a sidebar with either a staff member or with the Director to come up with a particular number. Ms. Covington also indicated that the recommendation included the proviso that staff work with YCD to get their numbers up on the deeper issues that have to be addressed in terms of barrier removals, like education, preparation for GED, mental health, and previous incarceration.

Commissioner King stated that he would not make a decision on this right now and proposed postponing the decision for now to allow for more discussions and more investigation. He stated that he is concerned about cutting monies to their programs without being able to figure out how they are going to support them.

Commissioner Anaya suggested that they consider continuance to have more time to really look at figures and to hear from Mr. Marcos and Mr. Walton again and then come back with figures that make some sense. Ms. Anaya stated that she did not see the sense in taking money from one organization to give to another and would like to recommend a continuance. Ms. Anaya continued by stating that the Agency is one of the few redevelopment agencies that does include money for workforce development and they are very lucky to have that component in this city. Also with her experience with CBO's, the work that she has seen done by the staff here has been excellent. Ms. Anaya stated that the national organizations have more staff and bigger budgets and they are hurting the CBO's. Ms. Anaya indicated that they have to look at what is best for the San Francisco communities and who serves them best.

President Swig requested clarification on whether the $1,784,000 number represents the total dollars or whether that number can increase.

Ms. Garcia responded that was the ceiling on the amount.

President Swig also indicated that he was wrestling with the idea that it is disrespectful to think that the Agency could overthrow at their whim the will of the committees that have been working on such a crucial project as this, because the committees involved have also been supported by subcommittees, which are the PAC's. Mr. Swig indicated that these are community-based committees that have put in their time, energy and diligence in coming up with these recommendations and indicated that it is very difficult for the commission to overthrow their direction no matter how much a particular organization may suffer by it. Mr. Swig suggested that they move this forward to not stop the train and potentially throw out the baby with the bathwater. Mr. Swig inquired as to the consequences of saying right now that $35,000 be redeployed from those other organizations to YCD. He wanted to know what injuries would be suffered by the other organizations and would it severely compromise their ability to perform.

Ms. Garcia responded that to instruct staff to go back and renegotiate the contracts at dollar amounts that are different from the committee's recommendation would mean that they would have to recalibrate the total number of people served by each organization depending on the tipping point of the number of people being served and the staffing in order to determine how deep those cuts would be and how they would be spread across the other organizations. Ms. Garcia stated that her greatest concern is a gap in service delivery because these contracts end June 30.

President Swig indicated that to have gaps in service would undermine the entire process and there will be other organizations that would suffer as a result. Mr. Swig stated that they must move forward with this tonight. Again he inquired as to the consequences of passing this item tonight with Commissioner Covington's suggestion of arbitrarily redeploying $35,000 of funds from other organizations to YCD in the spirit of compromise. Mr. Swig wanted to know if that can be done without undermining the integrity of the whole situation.

Ms. Garcia deferred to legal because this includes specific contracts with the CBO's, all of which have been signed by the non-profits recommended.

Director Blackwell indicated that it would be best to have a range of between $35,000-$40,000 so they can make the adjustments on a per-person expenditure level.

General Counsel Morales explained that if the Agency were to take this action because it does not indicate specific amounts associated with the individual contracts, they would be delegating to the Director to negotiate different lower amounts for the other groups and a higher amount for YCD. This would be a final action taken by the Director, would not be reviewable, and would not come back before the Commission. Mr. Morales indicated it would require that the staff renegotiate all the contracts.

President Swig addressed Mr. Marcos and thanked him for his service and for his organization's service and dedication. Mr. Swig reiterated that market conditions have changed, Yerba Buena Center is no longer a redevelopment neighborhood but with that change, the funding that used to exist is no longer there. Mr. Swig then inquired of Mr. Marcos as to whether he could help the Commission and his own cause as to how they can overlook the protocols and directions and to be able to continue the financial support that was there for them before.

Mr. Marcos indicated that he will help the Commission in anything they can do. However, he stated that MHH will not take any funding from another organization and he opposed that idea. Mr. Marcos indicated that their program was changed by the staff and he said that the original JRI proposal indicated that the northeast has an existing system that the Agency is going to invest on and that there is one CBO organization that is providing that service, which was not JRI. JRI came along later and changed the system, which used to be based on job placement. He stated the organization was choking trying to provide the number for all those years and they had saturated the services for that target area but never gave up because that is their priority population. Mr. Marcos stated that they will never give up on that. But to create some flexibility and to be able to do more, their other focus was to help the businesses in the project area succeed by giving them the workforce they needed. That is why people from all over the city came to MHH. They were not like the other agencies in that they were not case workers or social workers. Their strength was their relationships with the employers and that was taken away from them. The employers came to MHH. JRI in south of market is focused only on construction. He stated that Ms. Garcia then told him that they are no longer doing non-compliance for non-construction jobs. Mr. Marcos reiterated that this is not about the money. JRI has diminished their capacity and put a chokehold on them by restricting their recruitment to project area residents, putting them through training, which they do not do, and providing case management, but the job placement was their key activity.

President Swig requested that Mr. Marcos give them further direction. He indicated that $403,000 is not a paltry amount but with a significant decline in funding inquired as to what the implications are for the organization, for the community and what the organization can do with the $403,000 being offered. Mr. Swig also inquired as to what the significant give-up is with the cuts that are being made.

Mr. Marcos indicated that it was really $266,000 for the year and he said he would help them if that is all that they have. Mr. Marcos said they should go ahead to move the motion and fund all the other organizations as recommended. He supported all the other organizations mentioned and that he believed they should get their rightful funding. He stated that they will do the work and that his organization works with all the other organizations mentioned tonight. He stated that he wanted them to know that things have changed not because the economy but because somebody changed the idea of what his organization was supposed to do. They were happy doing it and were doing it very well and also reiterated that you cannot have a true workforce system without job placement and without employers being part of it. Otherwise you are just doing social work. Mr. Marcos stated that employers used to look at CBO's and just roll their eyes so they changed the entire approach and now employers look at MHH as a viable service that makes their businesses succeed. Employers do not worry about compliance because they will meet their compliance goals through MHH. As a matter of fact, one of the services they provided was compliance assistance for employers because employers were having a difficult time with that.

Vice President Singh inquired as to how they scored 69, 79, 79 and who scored them.

Ms. Garcia indicated that was the average score from the northeast review committee that was comprised of 5 people including a representative from the

SOMA PAC as well as a representative from the SOMA stabilization fund. Each of the review committee members individually scored the proposals out of a total of 100 points, and then they added all the scores together, divided by 5, to get the average score for each organization.

Vice President Singh indicated that MHH had the lowest score but wanted to know how that was possible since they have been around for a long time.

Ms. Garcia indicated that no one questioned MHH's ability to work with employers and connect people to jobs and indicated that their outcomes are strong. Unfortunately, they are using a significant portion of their funding to serve non-project area residents and that is not what the JRI program is about. Within the RFP, they asked each organization to provide a history and a track record of their workforce development performance and if they were an existing JRI provider, to reflect on their outcomes and experiences with JRI. SMEC noted that only 30% of their clients were project area residents but they made no mention of how they would improve or correct that and increase the percentage of project area residents. The review committee in their scores looked at how the program was designed, who it was intended to serve and whether the organizations and their programs meet that need and the review committee felt that SMEC had not done an adequate job demonstrating that they would be able to increase the number of project area jobseekers that they were serving. Ms. Garcia also stated that in the meeting with Don Marcos related to permanent workforce, he had asked about Mission Bay, which is not governed by redevelopment policy when it comes to the permanent end-use jobs. Those jobs in Mission Bay are governed by the city's resource policy that is administered by OEWD and Ms. Garcia encouraged Mr. Marcos to connect with OEWD about how to best leverage those permanent end-use jobs in Mission Bay. Also the YBC area has expired and information was requested about their outreach efforts, particularly related to the YBC Emporium site, the Westfield/Bloomingdale mall, and they had made roughly 10-15 placements over the 12-months working with the Agency in Westfield, which is the one place that they continue to generate tax increment funding. However SMEC indicated that it was very challenging to work with the multiple individual businesses within the mall since most of them have HR online at their headquarters and they felt their time was better spent working with the larger employers like the St. Regis. Ms. Garcia stated they have encouraged SMEC to continue that work as part of JRI and they do see that as part of their program.

Vice President Singh inquired of Director Blackwell as to what is the method to continue this item.

Director Blackwell responded that continuing this item will create a hiccup in the services being provided because these are all contracts that expire at the end of June and if there are no new contracts in place, there will a period of time in which services are in jeopardy.

Commissioner Anaya inquired as to whether they could include in the recommendation that they talk with MHH to see if there is any way that they can benefit from the experience that MHH brings in those contacts with private employers that perhaps will bring employment to the package of redevelopment.

Director Blackwell responded that unlike in the southeast area, where there is a clear distinction between the barrier removal work and the placement work, where the barrier work takes place in CBO's and CityBuild is doing placement, in the northeast project areas, MHH and the other providers are doing both barrier removal and placement. The relationship that the Agency has with CityBuild in the southeast is not the same in the northeast and part of that is in recognition of the fact that MHH has a strong placement history. Mr. Blackwell acknowledged that the Commissioners have a great deal of respect for MHH and for Mr. Marcos and the work he has done, but Mr. Blackwell clarified that what Mr. Marcos is saying is that Mr. Marcos does not agree with the direction the Agency is headed in terms of JRI and the barrier removal work and he thought they were at an impasse in terms of working with MHH. It was Mr. Blackwell's opinion that Mr. Marcos feels that the Agency should be funding MHH to do placement and that the barrier removal part of it with the case management required is not a direction that the Agency should be headed. Mr. Blackwell was not sure that additional conversations will resolve this issue.

Commissioner Anaya indicated that unless barrier removal exists you cannot serve the community well. Ms. Anaya stated that the issue is who does what and because she believed that MHH does excellent work, she feels strongly that the Agency continue talking to MHH about the issue of placement and barrier removal and gain some clarification on who does what.

Director Blackwell responded that the Agency has a good relationship with MHH and with Mr. Marcos and that they would continue to have conversations with MHH. However, he stated that they have had these conversations in the past.

Commissioner Anaya thanked Mr. Marcos for his good work throughout the city and the community and also for his efforts during this meeting to not take money from other organizations to give it to MHH. Ms. Anaya again stated that she wanted to find a way to continue working with MHH.

President Swig requested of Director Blackwell, at the request of Ms. Anaya, and with due respect to the history of MHH, to have staff conduct a special review of policies, procedures and protocols on how they can incorporate job placement as a funded part of the program in the next fiscal year.

Director Blackwell responded in the positive but reiterated that job placement is still something that they are funding MHH to do in the northeastern part of the city.

Ms. Garcia stated that MHH is the sole referral partner for construction jobs in the northeast. Just as CityBuild provides the construction labor referrals in the southeast, SMEC does that in the northeast. But across all the JRI contracts, including MHH, there are job placements outcomes and they do expect them to do job placement. CityBuild in the southeast is about construction and the rest of the JRI providers are looking at end-use permanent employment and in the northeast SMEC does both construction and other permanent end-use jobs and that is also the expectation for PRC and AND. She stated that mostly what they are creating now are construction jobs but everyone is expected to do some level of job placement.

Commissioner Covington indicated that they did not have an opportunity to hear from Mr. Walton and wanted to hear from him as well on this issue.

Mr. Walton, Executive Director-YCD, thanked the Commission for the opportunity to re-address the Commission and stated that he did not take his job lightly and that he has made attempts to contact the Agency over the past few months about these issues with no response. Mr. Walton stated that they received the probation letter in July and that YCD responded in August prior to Mr. Walton's arrival. When he got there, he finally got redevelopment staff on the phone, sent another memo to address all the issues set forth in the probation letter and that it took six months to get off probation because Agency staff was not responsive. Mr. Walton stated that they did not put paid work experience into the proposal because everything was being denied from staff. He stated that the changes they had made in a 10-month period was unmatched and he commended his staff for all the work they had done. In addition he stated that he had responded to the fact that they were able to adapt to changing the services they could provide and they have adapted. Mr. Walton stated that they have completed the research about what jobs will become available and making direct placement in small businesses, so they do have placement mechanisms in place. The reason they did not include stipends in the proposal is because they have been denied everything they were trying to do. Mr. Walton defended the work that had been done at YCD within the parameters they have been allowed to do under this round of funding. He stated that the Agency could not do what they do without CBO's like YCD. Mr. Walton also stated that he would not want to take funding from other grass roots organizations. He stated that YCD does not have problematic issues nor do they have capacity or program issues. Mr. Walton indicated that none of the issues that were raised during this meeting had been raised during the previous conversations he has had with agency staff. He indicated that the cut of $90,000 was extremely disproportionate especially when redevelopment staff has commended the good strides that YCD has made.

Commissioner Covington wanted clarification from Mr. Walton as to whether he was rejecting the proposal, which is not a formal motion, for staff to review the numbers and figure out a way to restore between $30,000 and $40,000 to the YCD budget.

Mr. Walton indicated that he would agree to it as long as the money is not being taken away from other grass-roots organizations.

Commissioner Covington stated that the money the Agency has is finite and there is no money that can come from any other place because the budget has been set. Ms. Covington indicated that all they can do is to reapportion the monies that have been given to each organization in order to make up some of the money taken away from YCD. She stated that she needed to make sure that Mr. Walton understands that if he declined the restoration of the money, it would be gone.

Mr. Walton indicated that he is declining the money if it comes from the small grass-roots CBO's, but also added that there are other large organizations that have been apportioned money that are not small grass-roots organizations.

Commissioner Covington stated that she wanted to make a motion that the Agency approve the items affecting the southeastern sector of the city, items G, H, I, J and N with the following changes: that the amount of $30,000-$40,000, with a firm number to be determined by the Executive Director in consultation with staff, be restored to the YCD budget, and that the monies come from the monies given to those organizations based outside of the southeastern portion of the city.

President Swig clarified that K, L, and M will be considered separately in another motion.

General Counsel Morales clarified that the ultimate goal is to shift some funds only to YCD from Bayview Projects. He clarified that these contracts are also constrained by tax increment and what areas they are serving; thus they were divided up into Visitacion Valley, Bayview, and the northeast to reflect the source of funding. Mr. Morales then stated that in order to make the changes in the Bayview to increase funding for a Bayview program, one could only look to the Bayview contracts because that is the source of funding.

Director Blackwell added that the restoration funds for YCD will have to come from Conservation Corp and Goodwill if they did not want to touch anything from HPF.

Commissioner Covington clarified that the funds will come from organizations based outside the southeast portion of the city, but then stated that they should take each item separately because bundling them will not work. Ms. Covington stated that she would like to move on Item H as proposed, that HPF receive an amount not to exceed $210,500 for workforce services.

Commissioner Bustos seconded Ms. Covington's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 69-2011, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH GIRLS 2000, A CALIFORNIA NONPROFIT CORPORATION, DBA HUNTERS POINT FAMILY, IN A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $210,500, FOR WORKFORCE SERVICES IN CONNECTION TO THE AGENCY'S JOB READINESS INITIATIVE, FOR A TERM OF TWELVE MONTHS WITH ONE SIX MONTH EXTENSION OPTION; BAYVIEW HUNTERS POINT AND HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

President Swig then went on to state that Ms. Covington made a motion to approve Items G, I, J, and N with the proviso that $30,000-$40,000 will be moved into YCD at the discretion of the Executive Director with consultation with staff.

Commissioner Bustos seconded Ms. Covington's motion.

Commissioner King stated that he did not think the way they were moving forward with the motions was legal.

President Swig requested clarification from Mr. Blackwell as to whether this procedure was legal.

Commissioner King stated that he did not truly understand what happened tonight and is still confused. Mr. King stated that the first request was that these items be continued and he thought that was the best idea they had. He agreed that first they get some clear direction from YCD and MHH. He said he was not in favor of Commissioner Covington's motion and was opposed to it.

President Swig stated that he had a motion and a second and had to call for a vote. He again restated the motion to approve Items G, I, J, and N with the proviso that $30,000-$40,000 be redeployed into YCD from the general pool of funds at the discretion of the Executive Director with consultation with staff. President Swig called for a vote.

Commissioner King abstained.

Commissioner Bustos seconded the motion.

Commissioner Covington voted in favor.

Commissioner Anaya voted in favor.

Vice President Singh voted in favor.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, COMMISSIONER KING ABSTAINED, (COMMISSIONER UBALDE ABSENT), AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 68-2011, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH GOODWILL INDUSTRIES OF SAN FRANCISCO, SAN MATEO & MARIN COUNTIES, A CALIFORNIA NONPROFIT CORPORATION, IN A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $360,500, FOR WORKFORCE SERVICES IN CONNECTION TO THE AGENCY'S JOB READINESS INITIATIVE, FOR A TERM OF TWELVE MONTHS WITH ONE SIX MONTH EXTENSION OPTION; BAYVIEW HUNTERS POINT, HUNTERS POINT SHIPYARD AND VISITACION VALLEY REDEVELOPMENT PROJECT AREAS; RESOLUTION NO. 70-2011, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH SAN FRANCISCO CONSERVATION CORPS, A CALIFORNIA NONPROFIT CORPORATION, IN A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $300,000, FOR WORKFORCE SERVICES IN CONNECTION TO THE AGENCY'S JOB READINESS INITIATIVE, FOR A TERM OF TWELVE MONTHS WITH ONE SIX MONTH EXTENSION OPTION; BAYVIEW HUNTERS POINT, HUNTERS POINT SHIPYARD AND VISITACION VALLEY REDEVELOPMENT PROJECT AREAS;

RESOLUTION NO. 71-2011, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH YOUNG COMMUNITY DEVELOPERS, INC., A CALIFORNIA NONPROFIT CORPORATION, IN A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $210,000, FOR WORKFORCE SERVICES IN CONNECTION TO THE JOB READINESS INITIATIVE, FOR A TERM OF TWELVE MONTHS, WITH ONE SIX MONTH EXTENSION OPTION; BAYVIEW HUNTERS POINT AND HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREAS; AND RESOLUTION NO. 75-2011, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH ASIAN NEIGHBORHOOD DESIGN, A CALIFORNIA NONPROFIT CORPORATION, IN A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $100,000, FOR WORKFORCE SERVICES IN CONNECTION TO THE AGENCY'S JOB READINESS INITIATIVE, FOR A TERM OF TWELVE MONTHS, WITH ONE SIX MONTH EXTENSION OPTION; VISITACION VALLEY REDEVELOPMENT PROJECT AREA, BE ADOPTED, WITH THE PROVISO THAT $30,000-$40,000 BE REDEPLOYED INTO YCD FROM THE GENERAL POOL OF FUNDS AT THE DISCRETION OF THE EXECUTIVE DIRECTOR WITH CONSULTATION WITH STAFF.

President Swig stated items K, L and M and the approval of those contracts still need to be acted on.

Commissioner Bustos thanked everyone involved who worked on the contracts and appreciated the time spent on this. Mr. Bustos also reminded everyone that the Commissioners are also volunteers, are also part of the community and felt as though they have an obligation to voice their concerns. With regard to MHH and the northeast section, Mr. Bustos recommended that since AND has already gotten the contract for Visitacion Valley, they take the northeast recommendations and remove AND from that part of the city for that work and give that to MHH and keep PRC at the 100 and increase MHH at 500 and 3000.

President Swig asked Mr. Marcos to return to the podium to respond to taking the money from other organizations.

Mr. Marcos indicated that he did not want the money.

Director Blackwell reminded the Commission that they have had some testimony from the head of South of Market PAC that said that basically this went through the executive committee and that they had not had a chance to weigh in as a full PAC. Mr. Blackwell suggested that before they make any changes regarding AND that they have conversations with the full PAC first.

Mr. Marcos stated that there was no quorum and then they all agreed. Mr. Marcos wanted to know how they could do that.

Commissioner Bustos requested that the previous second be removed to set forth a new motion where they meet with people from the PAC and have a discussion regarding Items K, L, and M.

Director Blackwell suggested that if they want the PAC to weigh in on these items, he needed to consult with the Project Manager from South of Market to find out what the schedule is to know whether or not they would be able to get back to the PAC and have a conversation.

Mr. Marcos stated that he was an original, elected member of the PAC and he was not able to defend anything that they were putting together and if the Agency is going to meet with the PAC, Mr. Marcos indicated that he would resign from the PAC.

General Counsel Morales stated that any time any member of a PAC is being considered for funding, that member must recuse himself from the conversation and step out of the room and that this is not the first time they have dealt with this issue. Mr. Morales indicated that Mr. Marcos is aware of that. Usually what the organization does is invite another representative, who is not a member of the PAC to come and participate in the discussion. Mr. Marcos was given that opportunity and he did not invite anyone from his organization to participate in the discussion. Mr. Morales indicated that they did not discuss the item when there was not a quorum. He also indicated that it was discussed at a different meeting of the executive subcommittee of the PAC, where there was a quorum and the item was approved. Mr. Marcos was not at that meeting and no one from his organization was at that meeting. Mr. Morales also stated that there was a PAC meeting scheduled for this month and that they would put the item on the agenda as top priority.

President Swig addressed Commissioner Bustos and suggested no action be taken on this item and therefore they will reschedule these items when staff is available.

Director Blackwell stated that the next PAC meeting is the day before the next commission meeting.

President Swig stated that at the next Agency meeting the items will be presented as before and the difference is that there will be testimony at the next meeting with regard to the direct question of whether the PAC unanimously supports the items as presented.

General Counsel Morales stated that in that case the items will need to be continued.

Commissioner Bustos set forth the motion to continue.

Vice President Singh seconded the motion.

Commissioner Covington requested that a date be inserted into the motion.

Commissioner Bustos suggested that they use the date of the next commission meeting, which would be June 21. Mr. Bustos then restated the motion that they continue these items until June 21.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 72-2011, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH ASIAN NEIGHBORHOOD DESIGN, A CALIFORNIA NONPROFIT CORPORATION, IN A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $100,000, FOR WORKFORCE SERVICES IN CONNECTION TO THE AGENCY'S JOB READINESS INITIATIVE, FOR A TERM OF TWELVE MONTHS, WITH ONE SIX MONTH EXTENSION OPTION; MISSION BAY, SOUTH OF MARKET, AND TRANSBAY REDEVELOPMENT PROJECT AREAS; RESOLUTION NO. 73-2011, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH POSITIVE RESOURCE CENTER, A CALIFORNIA NONPROFIT CORPORATION, IN A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $100,000, FOR WORKFORCE SERVICES IN CONNECTION TO THE AGENCY'S JOB READINESS INITIATIVE, FOR A TERM OF TWELVE MONTHS, WITH ONE SIX MONTH EXTENSION OPTION; MISSION BAY, SOUTH OF MARKET, AND TRANSBAY REDEVELOPMENT PROJECT AREAS; AND, RESOLUTION NO. 74-2011, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH MISSION HIRING HALL, INC., A CALIFORNIA NONPROFIT CORPORATION, IN A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $403,000, FOR WORKFORCE SERVICES IN CONNECTION TO THE AGENCY'S JOB READINESS INITIATIVE, FOR A TERM OF TWELVE MONTHS, WITH ONE SIX MONTH EXTENSION OPTION; MISSION BAY, SOUTH OF MARKET, AND TRANSBAY REDEVELOPMENT PROJECT AREAS, BE CONTINUED UNTIL JUNE 21.

(o) Authorizing a Letter Agreement with the Office of Economic and Workforce Development in an amount not to exceed $580,750 for contract administration of economic development services from July 1, 2011 to June 30, 2012 through two community-based organizations: (1) the South of Market Foundation d/b/a Urban Solutions; and (2) Asian Neighborhood Design; South of Market Redevelopment Project Area (Resolution No. 76-2011)

Presenter: Angela Hayward, Agency staff

Speakers: Oscar James, Ace Washington

Commissioner Anaya asked who the person is who does contract administration at the OEWD.

Ms. Hayward responded that they coordinate with Holly Lung, Amy Cohen.

Commissioner Anaya inquired as to who would be supervising this project.

Ms. Hayward indicated that Holly Lung administers the contracts; however the Agency monitors the contracts as well.

Mr. Grisso responded that the OEWD handles all the invoicing and contract administration but in terms of actually directing Urban Solutions and their work, that is primarily himself and his assistant Project Manager.

Commissioner Anaya clarified that it is Agency staff that handles the contracts and specifically, Holly Lung. Ms. Anaya put forth a motion to move item 4(o) moved the item.

Vice President Singh seconded Ms. Anaya's motion.

Commissioner Bustos reiterated that the idea about Urban Solution has come up before and he wanted to remind everyone that the Agency takes their job seriously in working with the community and asked Urban Solutions to make more effort to keep in communication with the community so more people know that they are working with the community in order to alleviate the notion that they are an outside organization not based in the local community.

Commissioner Covington requested an overview of discussions that took place at the PAC concerning this item.

Mr. Grisso responded that this item was unanimously approved by the PAC. There were discussions about the ArtWalk, the new program that was added to the budget this year. Other than that discussion, the item was strongly supported by the PAC.

Commissioner Covington asked whether the ArtWalk is the same as the Gallery Walk. Ms. Covington asked how many arts-related organizations they have in the target area.

Mr. Grisso explained that the ArtWalk used outside artists to put temporary art installations along Sixth Street but he did confirm that they do have some arts organizations on Sixth Street and one or two art galleries.

Commissioner Covington asked for clarification about money used for design of the new police station and why that did not come under the San Francisco police department.

Mr. Grisso responded that the Agency is paying for the design and construction of that station. The police department is paying for all the furniture, equipment and the staffing and lease costs for the station.

Commissioner Covington inquired as to know how much money the Agency gives to Urban Solutions.

Mr. Grisso responded that $420,000 is being proposed, which includes all the activities they do on Sixth Street. He stated that Urban Solutions does not receive funding for any other project areas.

Ms. McNulty stated that in the past when there was a Western Addition project area, Urban Solutions received an annual grant of $62,000. When the project area sunsetted, the grant ended. However, the Agency made $800,000 available to OEWD and the Fillmore Economic Development Action Plan to continue funding efforts. Out of the $800,000, Urban Solutions is in contract for a grant of $60,000, to support a training program for mobile food vendors and development of an artisan market place, partnering with La Cocina. The other city funding received by Urban Solutions is a $70,000 grant with community development block grant funds.

President Swig asked about where their offices are and some history of Urban Solutions.

Ms. McNulty responded that they are on Mission Street between 6th and 7th Streets in the project area. Urban Solutions was created as a South of Market foundation in 1992 after the Loma Prieta earthquake when it was decided to create the redevelopment earthquake recovery area. An organizing committee made recommendations for ways things could be done differently in the South of Market project area. The South of Market Employer Center and the South of

Market foundation were created in order to be able to create small businesses and get people jobs in the neighborhood, instead of displacing people.

Commissioner Bustos apologized for getting Urban Solutions confused with another agency that sounds similar, Urban Strategies.

Ms. McNulty stated that two restaurants that they are hoping to open in the project area will create 40 jobs next year and they have referred them to SMEC. By developing the businesses, there is significant job creation happening in the project area.

Commissioner Covington thanked staff and the members of the pact and everyone who has been working on Sixth Street and stated that the efforts are really showing.

President Swig wanted to acknowledge Mayor Lee, who has been very supportive in asserting his recommendation to the police department that they get this police substation installed as soon as possible. Mr. Swig wanted to recognize Mayor Lee and his staff for getting the project substation completed.

ADOPTION: IT WAS MOVED BY COMMISSIONER ANAYA, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 76-2011, AUTHORIZING A LETTER AGREEMENT WITH THE OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT IN AN AMOUNT NOT TO EXCEED $580,750 FOR CONTRACT ADMINISTRATION OF ECONOMIC DEVELOPMENT SERVICES FROM JULY 1, 2011 TO JUNE 30, 2012 THROUGH TWO COMMUNITY-BASED ORGANIZATIONANIZATIONS: (1) THE SOUTH OF MARKET FOUNDATION D/B/A URBAN SOLUTIONS; AND (2) ASIAN NEIGHBORHOOD DESIGN; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(p) Conditionally Approving the Combined Basic Concept and Schematic Design for a residential building on Block 3 West in the Mission Bay South Redevelopment Project Area and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area. (Resolution No. 77-2011)

Presenter: Kelley Kahn, Agency staff

Speakers: Ace Washington

Commissioner Covington expressed her appreciation for the overall pleasant appearance and design of the building. Ms. Covington asked the architect about the terrace.

Mr. Alex Seidel, Seidel Architects representing Urban Housing Group, responded that the terrace was about 84' long and about 10'wide.

Commissioner Covington inquired as to how many people the terrace could accommodate.

Mr. Seidel responded about 50 people and could accommodate a small event and indicated that it was accessible to everyone in the building. He stated that the fitness room was right behind it and was part of the common area of the building.

Commissioner Covington inquired about the ground floor plan which was designated for retail and asked what kind of retail they are expecting to place in that space.

Mr. Seidel indicated that in speaking with the owner, they would like to offer a food service or restaurant on the southwest corner where there is outdoor café seating as well as neighborhood retail-serving.

Commissioner Covington inquired about more specifics on the neighborhood retail-serving.

Ms. Kahn responded that the intent is that it will be where the people living in the neighborhood could get their day-to-day business activities taken care of, whether that be food or dry cleaning or a book store. Ms. Kahn explained that this space could accommodate small business or larger business.

Commissioner Covington inquired about whether the stoops would be accessible to people who are passers-by or will there be a way to block them off.

Mr. Seidel responded that currently it is designed for the stoops to be accessible and one could walk up the stairway to a secure front door. He indicated that two units would share one stoop and the front door would be the line of security. The units also have an interior entry from the building which offers handicap accessibility.

Commissioner Covington inquired about how high the windows are from the ground on the units with the stoops.

Mr. Seidel responded that they are 6' above the street at the sill height.

Commissioner Covington inquired about whether the copper screen will remain copper-colored or will it change over time.

Mr. Seidel indicated that it will weather naturally and the color will get darker over time.

Commissioner Covington indicated that she was happy that there were enough parking spaces for each unit. Ms. Covington inquired as to whether there was any proposed pricing.

Mr. David Sobel stated that there were a variety of floor plans starting in the 600 sq. ft going up to 1200 sq. ft. in size. Current market pricing for units in that range start at Mission Bay around $2,000 and go up to $3,400/month.

Commissioner Covington put forth a motion to move item 4(p).

Vice President Singh seconded Ms. Covington's motion.

President Swig stated that the Agency had approved the project on Block 2 and that the whole key to Fourth Street is to create a walking street that is retail on both sides, like a Union Street, a Chestnut Street or West Portal. In order accomplish that, you must have buildings on both sides all the way from the park down to the water. Mr. Swig inquired as to when these buildings will be built in order to create this community.

Ms. Kahn responded that Mission Bay is coming out of the housing recession and they have had a number of residential parcels on Fourth Street sell and the development teams are moving quickly through the design process. Ms. Kahn stated that Block 13 East, an agency-sponsored affordable housing project, which is also approved, ground floor retail, is hoping to get started mid-2012. Block 2 ground floor construction is also looking to start construction in about 12 months and is currently going through design development. Block 3 West will begin construction in March 2012. Block 4 West, which is an urban housing project, is already there and that they anticipate being able to present a schematic design for Block 5 in about two months, which just recently sold. Ms. Kahn stated that by the end of 2013 they are anticipating they will have at least four projects come online very close in order.

President Swig inquired about Blocks 6 and 7.

Ms. Kahn responded that Block 6 is an Agency affordable housing parcel which is probably 2 or 3 years out. A development team is being put together for Block 7 and they do anticipate having a schematic design before the commission in the next six months.

President Swig inquired about the timing for breaking ground for Block 7.

Ms. Kahn responded it would probably be late 2013.

President Swig stated that the vulnerability of that area will be Parcels 6 and 7 as far as closing in Fourth Street and creating a passageway that is developed and active.

Ms. Kahn indicated that the good news is that all the other projects are clustered so there will be no gaps until one reaches the very southern end. Ms. Kahn also indicated that all of this housing development triggers more parks to be built and they are moving ahead with construction of the first children's park in Mission Bay. As far as the strip park, P17 and P16 are completed and P15 will begin construction in 9-12 months.

President Swig indicated that he had vision of the people who will be working in the squares bounded by 15, 17, 25, and 18 to be able to get housing in north Mission Bay or beginning south Mission Bay and safely walk up Fourth Street which will be populated and that they will have the opportunity of walking across a park and into a village. Mr. Swig inquired as to what was behind the copper design element and will there be a conflict between the design and the ability of people living behind the design to get adequate light and to make sure those apartments are preferred.

Mr. Seidel responded that the units behind the copper screen are one-bedroom units but are narrower and wider and they have more windows than a typical one-bedroom unit. The living room and the dining room both have windows. He explained that anytime it is a living room looking through the screen, it actually is a completely clear view out. Some of the dining rooms have clear views and some have filtered views with a pair of French doors with a Juliette balcony that you can step out on and get into the space between the screen and the building. Mr. Seidel indicated that they are considering a 50% perforation which when held up is viewable even when looking through the screen. He indicated that those units will actually offer more light and air than the other units.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 77-2011, CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR A RESIDENTIAL BUILDING ON BLOCK 3 WEST IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON AGENDA: None

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.

Speakers: Oscar James, Gary Lynch, Ace Washington

7. REPORT OF THE PRESIDENT:

- President Swig reported that a very special day was about to occur on Thursday, June 9 at 11am when the celebration will begin for the dedication and open house at Westbrook Plaza, a joint development between South of Market Health Center and Mercy Housing, which is comprised of 49 units of affordable family housing and a 20,000 sq. ft. community health clinic. Mr. Swig expressed his wishes for everyone to come and support this event.

8. REPORT OF THE EXECUTIVE DIRECTOR:

- Director Blackwell reported that since the last meeting the reform package introduced by Senator Wright in the Senate was reintroduced in the Assembly and has 14 Democratic co-authors, which suggests reforming redevelopment rather than ending redevelopment. Mr. Blackwell reported that he thought it highly likely that over the next couple of weeks the Assembly and Senate will be taking action on the budget and things do not seem to have changed in the number of votes that the Governor has been able to get to eliminate redevelopment. What is different this time around is that in November voters passed legislation that prohibited legislators from getting paid if there is no budget. As a result it is highly unlikely to see budget deliberations drag on through September and October, as seen in previous years. Rather, legislators are pushing to have budget approved in June for signature by the Governor in July.
- Director Blackwell reported on an item that was requested at the last meeting—periodic reports on the hiring process at Hunters View. To date of the total work hours committed: 68.1% are going to SF residents; 42.1% are

going to Hunters View; 13.3% to 94124; 13.7% other than SF. Breakdown by race: 52% African American, 38.8% Latino, 4.4% Caucasian, 3.6% Asian-Pacific Islander, 1.2% other. Gender: 21.4% female; 78.6% male. In terms of process, there are 7 priority items in terms of Hunters View. First is Hunters View public housing residents with their names on the lease, second is San Francisco Housing Authority residents within 94124, third is Housing Authority residents in 94134; fourth is Housing Authority residents in other zip codes; fifth is Hunters View Communities of Opportunity members; sixth is Bayview Hunters Point project area residents and seventh is San Francisco residents. The way the list is maintained is that it starts with Urban Strategies which is the provider on the ground and they work with the Housing Authority to verify residency with Hunters View residents and if there is residency, they are placed on the priority one list and if there is no verifiable residency, they are prioritized along the other items. If they are eligible, Urban Strategies works to get them on the list. CityBuild maintains that list with the priorities, they verify addresses and confirm residency with the Housing Authority and when contractors submit requests, and people are dispatched based on the priority list. Once a person is working, the Agency generates reports on local hire hours based on what is completed in the system. Staff also goes through and checks it manually to verify residency as well. Lastly, Mr. Blackwell indicated that in the packets there is an update on the balance sheet by areas of work that the Director's office will now be providing to the commissioners on a quarterly basis when they can, so that they can look at that list and see what the balances are for housing work, community and economic development work and other things.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

- Commissioner Bustos inquired of Mr. Blackwell as to whether the next commission meeting will be their last meeting, if the budget goes through.

    - Mr. Blackwell responded not necessarily. He thought it was likely that a budget will be passed and the item discussing the elimination of redevelopment will either not be taken up or it will fail or there will be reforms introduced rather than elimination. Mr. Blackwell stated that it is completely possible for the legislator to pass a budget that does not have elimination of redevelopment in it.

- Commissioner Bustos inquired if there was anything the commissioners could do as an agency. He suggested that they organize a meeting with people from the entire project areas together to let them know what is at stake and to get their reaction. Mr. Bustos indicated that after he spoke to the CAC as well as community members, they are now all beginning to organize in order to express their concerns. Mr. Bustos stated that he cannot do that by himself but would be willing to work with staff to set a date for a meeting.

  - Director Blackwell responded that an information session like a Town Hall with the community is totally possible and invite stakeholders. Mr. Blackwell indicated that they have prepared project area-specific factsheets based on the feedback they received at the commission retreat that lay out, by project area, what is at stake and which is ready to be sent out. Mr. Blackwell stated that he and President Swig have put together an op. ed. submitted to the Chronicle as well as the Business Times. He stated a Town Hall would allow them to do an education session.

- Mr. Bustos recommended or requested that a commission meeting be held in Bayview Hunters Point and ask the elected officials to attend because if they are going to vote on the future of redevelopment, they should be in the room with the commissioners and with the community and have public comment regarding redevelopment.

- President Swig indicated that he and Vice President Singh will meet with the Director Blackwell tomorrow morning and discuss the feasibility from a logistical and timing standpoint.

  - Director Blackwell indicated that if it is not a special meeting, then it would probably have to be the next meeting.

- Commissioner King stated that he had been speaking to one of the developers, Kofi Bonner, who told him he was not able to get any money or loan money, and requested a closed session at the next meeting to discuss to give the developer some money to get the projects and jobs and get the developer moving.

- President Swig indicated that they could have a meeting about it and that he has done some research with Director Blackwell and there are simply no funds available right now to help him.

  - Director Blackwell indicated that the Agency does not have tax increment money from the Shipyard to loan out at this point.

- President Swig added that they had a wonderful event for Commissioner King at Yoshi's at the Fillmore Center and that they installed an impressive bust of Jim Jefferson and Mr. King and recommended everyone go by and see. Mr. Swig reminded everyone that the Fillmore Center and other projects would not exist without the hard work and dedication of these two great leaders.

- Commissioner King thanked all the Commissioners and the public for attending and said he appreciated the honor.

10. CLOSED SESSION: Pursuant to Section 54957 of the California Government Code, a public employee performance evaluation for the position of Executive Director.

11. ADJOURNMENT:

It was moved by Commissioner King, seconded by Commissioner Singh and unanimously carried that the meeting be adjourned at 9:10 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

JULY 19, 2010

MINUTES OF A REGULAR MEETING OF THEREDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 21st DAY OF JUNE OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 21st day of June 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Miguel M. Bustos
Francee Covington
Leroy King
Agnes Briones Ubalde

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Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

At this time, the Agency Commission will consider taking Closed Session Items 10(a) and 10(b) out of order and recessing to Closed Session.

10. **CLOSED SESSION(s):**

    (a) Pursuant to Government Code § 54957.6 to confer with Agency designated representatives regarding negotiations with 1) the International Federation of Professional and Technical Engineers (IFPTE) Local 21 representing the Engineers and Architects bargaining unit, the Management/Supervisory bargaining unit, and the Professional/ Technical bargaining unit; and 2) the Service Employees International Union (SEIU) Local 1021 representing a miscellaneous employees bargaining unit. Agency negotiators: Fred Blackwell, Amy Lee, Diane Iwata, and James Morales.

    (b) Pursuant to Government Code § 54957.6 to confer with Agency designated representatives regarding negotiations with the Service Employees International Union (SEIU) Local 1021 Bargaining Unit. Agency negotiators: Fred Blackwell, Amy Lee, Diane Iwata, and James Morales.

3. **MATTERS OF UNFINISHED BUSINESS**: Continued from the June 7th Commission meeting.

    (a) Authorizing a Personal Services Contract with Asian Neighborhood Design, a California nonprofit Corporation, for workforce services in connection to the agency's Job Readiness Initiative, for a term of twelve months, in an amount not to exceed $67,000, with one six month extension option, exercised at the discretion of the Executive Director, pending available funds, for a total aggregate amount not to exceed $100,000, subject to the annual appropriation of funds; Mission Bay, South of Market, and Transbay Redevelopment Project Areas. (Resolution No. 72-2011)

    (b) Authorizing a Personal Services Contract with Positive Resource Center, a California nonprofit Corporation, for workforce services in connection to the agency's Job Readiness Initiative, for a term of twelve months, in an amount not to exceed $67,000, with one six month extension option, exercised at the discretion of the Executive Director, pending available funds, for a total aggregate amount not to exceed $100,000, subject to the annual appropriation of funds; Mission Bay, South of Market, and Transbay Redevelopment Project Areas. (Resolution No. 73-2011)

    (c) Authorizing a Personal Services Contract with Mission Hiring Hall, Inc., a California nonprofit Corporation, for workforce services in connection to the agency's Job Readiness Initiative, for a term of twelve months, in an amount not to exceed $270,010, with one six month extension option, exercised at the discretion of the Executive Director, pending available funds, for a total aggregate amount not to exceed $403,000, subject to the annual appropriation of funds; Mission Bay, South of Market, and Transbay Redevelopment Project Areas. (Resolution No. 74-2011)

    Presenter: Fred Blackwell, Executive Director

    President Swig inquired of General Counsel Jim Morales whether on Resolution 3(c), in the first paragraph, for the commissioners' point of view, where it says $403,000, if it should now indicate $450,000.

General Counsel Morales responded that the proper way to handle this issue is by amendment to the resolution.

President Swig clarified that if someone decides to move this item later on, part of the move would be to suggest that change.

Speakers: Steven Suzuki, Raymon Smith, Victor Marquez, Queena Lu, Miguel Penn, Jackie Flin, Joshua Arce, Eddie Ahn, Stella Becerra, Lee Kuhn, Oscar James

Director Blackwell stated that he felt compelled to correct and clarify some of the statements that had been made so everyone got the facts right. First, Director Blackwell clarified that the reduction in funding in the northeastern sector of the city has absolutely nothing to do with the focus on serving project area residents and has everything to do with the expiration of the Yerba Buena Project Area. What they have done is to increase the amount of money coming from Transbay and Mission Bay to make up half of that which gets them within spitting distance of the $4 million over three years that the Agency had originally committed to the JRI program. Director Blackwell did not want anyone to think that they are $300,000 shy of their obligation to JRI. Second, Director Blackwell also stated that the reduction to South of Market Employment Center (SOMEC) is a result of the focus on project area residents and that there were probably 60-70% of the people served over the last 18 months who were not project area residents, so the recommendation before the commission this evening is a result of trying to sync up the support to SOMEC with the number of project area residents that were served. Third, Director Blackwell clarified that another line item that was referred to in the Agency's budget is related to the TIFIA federal loan, which is focused on the shipyard and the transportation improvements there, and the CAL reuse money, which is also earmarked for a specific purpose in terms of cleanup and remediation on the shipyard, so it is not some amorphous amount of money or millions of dollars that are out there to be redirected. The fourth item that Director Blackwell wanted everybody to understand is that there had been discussion about the overall Agency budget the previous evening, which was presented personally by himself, and what Director Blackwell told the PAC was that the Agency lost the $600,000 from Yerba Buena, and have already lost another $600,000 in the budget process at the Board of Supervisors this week. And if the legislation that is under consideration at the state level is actually passed and enacted, the Agency will have to find $24 million to redirect to the schools, which is $24 million that has not been budgeted. Director Blackwell indicated that he laid all of that out the previous evening. He indicated that he believed there was a difference between people not liking the answer and the issue not being discussed.

Commissioner Bustos thanked the staff for all their work and mentioned that it could not be easy trying to figure out how to make this work but wanted to applaud what they have been trying to do in walking this fine line. Much has been said about Mission Hiring Hall (MHH) and the project areas and the Agency leaving but there is much work still to be done especially with Transbay and a lot of wonderful opportunities that the city, as well the workers, will be able to benefit from. Mr. Bustos stated that he would like to move the entire item and knew he had to add an amendment, but to preface the amendment based on the key words of "pending available funds", a phrase which is something that everyone must be aware of. Mr. Bustos inquired about the Agency looking at project area savings as well as even the savings that may come from the grant that SOMEC has now. Mr. Bustos put forth a motion to move this item with the amendment to 3(c).

President Swig asked General Counsel Morales if he wanted to advise on this item.

General Counsel Morales suggested that they take the resolutions in order.

Commissioner King argued that they are trying to get a motion through the Commission and he disagreed that President Swig went to Director Blackwell before the Commission had a right to take the vote and he criticized the chair for that. Mr. King stated that the Commissioners have a right to speak out and that there is not even a rebuttal from the chairman before they even make a determination.

President Swig again asked Mr. Morales for his advice.

General Counsel Morales responded that he felt they should keep the order of business intact, so take care of 3(a) first, then 3(b), etc.

President Swig stated that they will have discussion on 3(a) first, then 3(b), then 3(c).

Commissioner Bustos then indicated that he would like to move on 3(a).

Commissioner King asked Mr. Bustos if he made the motion.

Commissioner Bustos replied that he set forth the motion for this item and told Mr. King that they were going to do one by one. He asked Mr. King if he seconded it.

Commissioner King stated that he was for full funding for Mission Bay. Mr. King stated that he was commissioner when Laurel Heights, Mission Bay and South Bay were set up. He stated that in order to get the workers out of the different communities, when one community did not have enough workers, they would refer back to another project area for workers and he believed that was the program that has made this commission successful. Mr. King stated that what is happening here is that the basic program that helped create the Agency is being undercut and he indicated that he did not understand it. What happened was that Ella Hill Hutch got the workers in the Western Addition, and MHH got the workers around Mission and then South of Market. When there wasn't enough work, they would transfer workers and make sure that they were funded through subsistence from these other areas. Mr. King stated that he believed that is the way it should be and he believed that MHH should be funded the total amount because they have done a good job and should continue doing it. He thought that undercutting their basic community organizations was not right and he disagreed with the director in the report that we are trying to undercut the basic community organizations. He certainly hoped that Mr. Bustos was making a motion to support the MHH for full funding and Mr. King indicated that what he wants is to get the full funding back for MHH.

Commissioner Ubalde stated that she wanted to share some comments about this topic as well and applauded staff for going out to the community and also for clarifying some of the facts as Ms. Ubalde did not have the background. Her history with MHH and SOMEC is that she sat on the board of MHH when Rich Sorrow was the director there so she had much pride and connection to South of Market in the fact that MHH has been doing such great work in the community. Her concern, although she stated that she does want to support staff recommendation, is that fundamentally this is a really important issue for not only MHH but for non-profits throughout the city to be concerned about, because funding from the Agency will not be constantly there. Second, as someone who works in corporate philanthropy and focuses on community development and workforce development, in terms of grant requests coming before her and advising people on what they should be thinking about in terms of diversification of funding, when she sees government funding as the only source of funding for non-profits to support their programming, it becomes a big red flag. What she would like to see, especially for MHH and SOMEC is that diversification of funding become the mantra and the thought of forward action in terms of how you sustain their programs. Ms. Ubalde stated that it is all about sustainability. The Agency does not want these entities to be constantly coming to the Agency for funding because when it comes to the point where there is no funding, then what happens to the direct services for the community. The one that loses is the community. With all due respect to Commissioner King, Ms. Ubalde stated that she really believed that SOMEC and MHH are hallmarks and models in the community, but her fear is that if the Agency continues to fund the program, and they are not looking at it in terms of taking away funding, the point is that YBC is expiring and the Agency does not have the resources to continue with that funding. Ms. Ubalde suggested that the commissioners try to think creatively to identify additional sources of funding, not through the government, but through other sources through the community around foundations, philanthropy and other sources that can help sustain this workforce development strategy in San Francisco. Ms. Ubalde reiterated that it is not about not wanting to fund, but rather being able to sustain these programs and the level of work that has been done by MHH and SOMEC.

Commissioner Covington stated that she understood that item 3(a) had been moved by

Commissioner Bustos seconded Ms. Covington's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 72-2011, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH ASIAN NEIGHBORHOOD DESIGN, A CALIFORNIA NONPROFIT CORPORATION, FOR WORKFORCE SERVICES IN CONNECTION TO THE AGENCY'S JOB READINESS INITIATIVE, FOR A TERM OF TWELVE MONTHS, IN AN AMOUNT NOT TO EXCEED $67,000, WITH ONE SIX MONTH EXTENSION OPTION, EXERCISED AT THE

DISCRETION OF THE EXECUTIVE DIRECTOR, PENDING AVAILABLE FUNDS, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $100,000, SUBJECT TO THE ANNUAL APPROPRIATION OF FUNDS; MISSION BAY, SOUTH OF MARKET, AND TRANSBAY REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

President Swig turned to Commissioner Bustos to initiate discussion on the successive items.

Commissioner Bustos set forth a motion to move 3(b) as is.

Commissioner Covington seconded Mr. Bustos' motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 73-2011, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH POSITIVE RESOURCE CENTER, A CALIFORNIA NONPROFIT CORPORATION, FOR WORKFORCE SERVICES IN CONNECTION TO THE AGENCY'S JOB READINESS INITIATIVE, FOR A TERM OF TWELVE MONTHS, IN AN AMOUNT NOT TO EXCEED $67,000, WITH ONE SIX MONTH EXTENSION OPTION, EXERCISED AT THE DISCRETION OF THE EXECUTIVE DIRECTOR, PENDING AVAILABLE FUNDS, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $100,000, SUBJECT TO THE ANNUAL APPROPRIATION OF FUNDS; MISSION BAY, SOUTH OF MARKET, AND TRANSBAY REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

President Swig requested that Commissioner Bustos continue on Item 3(c).

Commissioner Bustos set forth a motion to move Item 3(c), amended as: Authorizing a Personal Services Contract with Mission Hiring Hall, Inc., a California nonprofit Corporation, for workforce services in connection to the agency's Job Readiness Initiative, for a term of twelve months, in an amount not to exceed $270,010, with one six month extension option, exercised at the discretion of the Executive Director, pending available funds, for a total aggregate amount not to exceed $500,000, pending the available funds of the project area savings and potential grant savings of leftover funding from the current grant, subject to the annual appropriation of funds; Mission Bay, South of Market, and Transbay Redevelopment Project Areas.

Commissioner Anaya stated what needs to be underlined is "if available". Ms. Anaya also added that she was uncomfortable about changing the budget without looking at the total budget and not knowing where the monies are coming from or not coming from. Ms. Anaya stated that they should get together as a commission and set procedures to make sure that CBO's get credit for what they have. She stated that one of the problems they have now is that CBO's are not being valued for what they are and of course they have the experience, the love and the sensitivity for their communities that they are serving and yet the Agency does not give credit for that. Ms.

Anaya stated that this is the mission of the commission and they need to sit down and make sure that they have those policies and procedures for the future. On the other hand, she stated that the big non-profits do have policy developers, etc. and they are competing hand-to-hand with small CBO's and that is not right. This has to do with not having some kind of a policy for CBO's and non-profit organizations that compete with each other when submitting proposals. Ms. Anaya asked the chair to please set something up for the commissioners to be able to talk about this in the future.

Commissioner Singh asked Director Blackwell how much money is going to be in this motion by Commissioner Bustos.

Director Blackwell responded that they have the $403,000 available that they originally recommended, they took $20,000 from another line item in the budget, and by his projection by looking at the invoicing from MHH, it looks like there will probably be about $40,000 left after their June billing.

Commissioner Singh inquired if that meant that they will have $40,000 extra in addition to the $450,000.

Director Blackwell responded yes, potentially. He reiterated that it all depends on what they have done and how the invoicing will look like when it comes in.

Commissioner Singh stated that in other words it could be $490,000.

Director Blackwell reiterated that they have the $403,000, they have another $20,000 that became available when they found it from another line item, and based on the projected burn rate, there is likely to be another $40,000 left over at the end of the contract period.

Commissioner Anaya reminded the chair that she requested that Commissioner Bustos add "if available". Ms. Anaya stated that she called for the question.

President Swig requested for Commissioner Anaya, who had to leave early, that they follow up on her request to have a discussion on how to really assist small grass-roots CBO's in working through some things like outside funding, etc. as Ms. Anaya claims that larger firms might already have that. Mr. Swig asked Director Blackwell to schedule a discussion with staff, purchasing, and whoever appropriate on this issue sometime in the very near future but sometime after Director Blackwell returns from vacation.

Director Blackwell responded that he wanted to note that he has already made himself available to assist many of these groups with their fundraising efforts but was happy to comply and have the conversation.

President Swig stated that this would be for the benefit of Commissioner Anaya so that she can be comfortable with that and perhaps they will all learn something from it as well.

Commissioner Singh stated that he would like to know exactly what the motion is and exactly how much money it would be for.

Commissioner Bustos read the resolution again as: Authorizing a Personal Services Contract with Mission Hiring Hall, Inc., a California nonprofit Corporation, for workforce services in connection to the agency's Job Readiness Initiative, for a term of twelve months, in an amount not to exceed $270,010, with one six month extension option, exercised at the discretion of the Executive Director, pending available funds of the project area savings and potential savings left over from the current grant, for a total aggregate amount not to exceed $500,000, subject to the annual appropriation of funds; Mission Bay, South of Market, and Transbay Redevelopment Project Areas. (Resolution No. 74-2011)

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 74-2011, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH MISSION HIRING HALL, INC., A CALIFORNIA NONPROFIT CORPORATION, FOR WORKFORCE SERVICES IN CONNECTION TO THE AGENCY'S JOB READINESS INITIATIVE, FOR A TERM OF TWELVE MONTHS, IN AN AMOUNT NOT TO EXCEED $270,010, WITH ONE SIX MONTH EXTENSION OPTION, EXERCISED AT THE DISCRETION OF THE EXECUTIVE DIRECTOR, PENDING AVAILABLE FUNDS OF THE PROJECT AREA SAVINGS AND POTENTIAL SAVINGS LEFT OVER FROM THE CURRENT GRANT, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $500,000, SUBJECT TO THE ANNUAL APPROPRIATION OF FUNDS; MISSION BAY, SOUTH OF MARKET, AND TRANSBAY REDEVELOPMENT PROJECT AREAS.

4. Matters of New Business:

CONSENT AGENDA :

(a) Approval of Minutes: Regular Meeting of March 15, 2011.

(b) Authorizing a First Amendment to the Permit to Enter Agreement with Brian Goggin, an individual, to extend the term of the agreement by an additional 12 month term ending June 20, 2012, related to an existing art installation, Hugo Hotel, 200-214 Sixth Street, South of Market Redevelopment Project Area. (Resolution No. 78-2011)

(c) Authorizing a Third Amendment to a Personal Services Contract with Elation Systems, Inc., a California corporation, to increase the Contract amount by $199,500,with two one-year extension options, for a total aggregate amount not to exceed $1,075,900, to provide for annual licensing fees and continued development, technical support, and training for the Agency's web-based contract and labor compliance system. (Resolution No. 79-2011)

(d) Authorizing a First Amendment to the Letter Agreement with the Mayor's Office of Housing in an amount not to exceed $100,000 for contract administration and to provide workforce development services to residents of the Hunters View Development from August 3, 2010 to August 2, 2011 through a community-based organization, Family Services Agency, serving as the fiscal agent for Urban Strategies; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 80-2011)

(e) Authorizing a First Amendment to the Ground Lease Agreement with the City and County of San Francisco to change the permitted uses and related terms to allow for non-parking uses on a portion of Assessor's parcel 831, Lot 24, known as Central Freeway Parcel O; Citywide Tax Increment Housing Program. (Resolution No. 81-2011)

(f) Authorizing a First Amendment to the Amended and Restated Memorandum of Understanding with the City and County of San Francisco, acting by and through its Arts Commission, and the Mexican Museum, a California nonprofit corporation, to extend the term to December 31, 2012, with one additional six-month extension at the discretion of the Agency's Executive Director, to collaboratively implement a predevelopment plan for a new museum associated with a new mixed-use project on a site that includes 706 Mission Street (Assessor's Block 3706, Lot 93) and Agency disposition parcel CB-1-MM (Assessor's Block 3706, portion of Lot 277). (Resolution No. 82-2011)

(g) Authorizing an Amended and Restated Loan Agreement with College Track, a California nonprofit public benefit corporation, in an amount not to exceed $1.0 million to amend the loan security to comply with the requirements for New Markets Tax Credits financing for College Track campus renovations at 4301 Third Street; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 83-2011)

(h) Authorizing an Indemnification Agreement with U.S. Bancorp Community Development Corporation, a Minnesota corporation, in an amount not to exceed $4,725,200 million as part of the New Markets Tax Credit financing for the College Track campus renovations at 4301 Third Street; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 84-2011)

President Swig asked if there were any speaker cards for any of the consent items.

Commission Secretary indicated there was one speaker card for consent item 4(b).

President Swig stated that 4(b) would be pulled from the consent Agenda and asked for a staff presentation on that item separately.

Commissioner Bustos commented on the Mexican Museum and acknowledged the Board of Directors that were present and thanked them for all their work. Mr. Bustos stated that he had heard some wonderful things from other foundations about the work they were doing and that they seem to be meeting all the targets and Mr. Bustos was very appreciative of that. Mr. Bustos set forth a motion to move this item and indicated that in September he would like the staff to return with an update on what is going on.

President Swig clarified that Mr. Bustos was moving the entire consent agenda.

Commissioner Bustos indicated that he was.

Commissioner Covington indicated that she wanted consent items 4(d) and 4(h) pulled for discussion.

President Swig asked Ms. Covington if she would second the rest of the consent agenda.

Commissioner Covington seconded the rest of the consent agenda.

President Swig clarified that he had a motion and second to move the consent agenda with the exceptions of consent items 4(b), 4(d), and 4(h).

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED THAT THE MINUTES OF THE REGULAR MEETING OF MARCH 15, 2011; AND RESOLUTION NO. 79-2011, AUTHORIZING A THIRD AMENDMENT TO A PERSONAL SERVICES CONTRACT WITH ELATION SYSTEMS, INC., A CALIFORNIA CORPORATION, TO INCREASE THE CONTRACT AMOUNT BY $199,500, WITH TWO ONE-YEAR EXTENSION OPTIONS, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $1,075,900, TO PROVIDE FOR ANNUAL LICENSING FEES AND CONTINUED DEVELOPMENT, TECHNICAL SUPPORT, AND TRAINING FOR THE AGENCY'S WEB-BASED CONTRACT AND LABOR COMPLIANCE SYSTEM; RESOLUTION NO. 81-2011, AUTHORIZING A FIRST AMENDMENT TO THE GROUND LEASE AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO TO CHANGE THE PERMITTED USES AND RELATED TERMS TO ALLOW FOR NON-PARKING USES ON A PORTION OF ASSESSOR'S PARCEL 831, LOT 24, KNOWN AS CENTRAL FREEWAY PARCEL O; CITYWIDE TAX INCREMENT HOUSING PROGRAM; RESOLUTION NO. 82-2011, AUTHORIZING A FIRST AMENDMENT TO THE AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING WITH THE CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH ITS ARTS COMMISSION, AND THE MEXICAN MUSEUM, A CALIFORNIA NONPROFIT CORPORATION, TO EXTEND THE TERM TO DECEMBER 31, 2012, WITH ONE ADDITIONAL SIX-MONTH EXTENSION AT THE DISCRETION OF THE AGENCY'S EXECUTIVE DIRECTOR, TO COLLABORATIVELY IMPLEMENT A PREDEVELOPMENT PLAN FOR A NEW MUSEUM ASSOCIATED WITH A NEW MIXED-USE PROJECT ON A SITE THAT INCLUDES 706 MISSION STREET (ASSESSOR'S BLOCK 3706, LOT 93) AND AGENCY DISPOSITION PARCEL CB-1-MM (ASSESSOR'S BLOCK 3706, PORTION OF LOT 277); AND, RESOLUTION NO. 83-2011, AUTHORIZING AN AMENDED AND RESTATED LOAN AGREEMENT

WITH COLLEGE TRACK, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED $1.0 MILLION TO AMEND THE LOAN SECURITY TO COMPLY WITH THE REQUIREMENTS FOR NEW MARKETS TAX CREDITS FINANCING FOR COLLEGE TRACK CAMPUS RENOVATIONS AT 4301 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(b) Authorizing a First Amendment to the Permit to Enter Agreement with Brian Goggin, an individual, to extend the term of the agreement by an additional 12 month term ending June 20, 2012, related to an existing art installation, Hugo Hotel, 200-214 Sixth Street, South of Market Redevelopment Project Area. (Resolution No. 78-2011)

Presenter: Jeff White, Agency Staff

Speaker: Raymon Smith

Commissioner Singh put forth a motion to move this item.

Commissioner Bustos seconded Mr. Singh's motion.

Commissioner Covington asked Mr. Grisso for an update about what happened at the meeting.

Mr. Grisso responded that this was a routine item so he made a very short presentation to the PAC explaining that they intended to extend this permit to enter for 12 months. There was no discussion because no one disagreed with the staff recommendation. There were nodding heads and agreement and that was the end of the item. There was no vote because it was felt that it was a routine item and no need to discuss it any further.

Commissioner Covington inquired what the reasons were for the extension.

Mr. Grisso indicated that the original permit to enter did have a long discussion at the PAC. This extension had a much shorter discussion but the original permit was approved by the PAC. He indicated that it is the intention of the Agency to redevelop the property and they are not extending the permit because they do not want to keep the property there any longer than necessary. The permit to enter is simply so that the artist can continue to maintain the artwork that is there as long as the building is there and not any longer than that.

Commissioner Covington inquired if there were discussions with the artist concerning getting the artwork down as soon as possible.

Mr. White responded that the agreement is that the artist will keep the work up until the new project starts, which was the desire of the artist. When they entered into the permit to enter 18 months ago, part of the agreement was, as a courtesy to the artist, that he would be able to refurbish the work slightly and also ensure that it was structurally sound, which is what has taken place. Subsequently, there have been discussions with the artist and the artist desires to keep the artwork up until construction starts. Mr. White stated that the artist is in total agreement that the artwork is going to come down but they have no detailed plan as to how the artwork will come down.

Commissioner Covington inquired as to who is responsible for taking the artwork down and taking it to storage or whatever happens to it.

Mr. White responded that the way the agreement is written is that when they are ready to start construction, the Agency will provide notice to the artist that construction will begin on a certain date and the artist will have 90 days to take the artwork down. After that 90 day period, the art becomes the property of the Agency and the Agency can take it down as it sees fit when the building is demolished.

Commissioner Covington stated that what she did not understand is why those two things are linked; why the taking of the artwork down is linked to the start of construction since the art was put on the building while the building existed so the art can be taken off the building while the building still exists.

Mr. White explained that the artwork is structurally affixed to the building in a very substantial way so he believed that if they were to take some of the artwork down now, parts of the building would be destroyed as well.

Director Blackwell stated that the feedback that they have received from the community is that they like the artwork and they would like it to stay there until the building is demolished.

Commissioner Covington inquired which community Director Blackwell was referring to.

Mr. Grisso responded that it was the PAC. They had an extensive discussion when the original permit to enter was proposed and the question was whether they were going to allow the artwork to stay up there while the building still exists because they are not ready to demolish the building yet. Mr. Grisso indicated that there was universal agreement that the artwork has been there a long time, has been refurbished by the artist and has lights in it now, and is liked if not loved by many people and while there was universal agreement that the building should be demolished and replaced with affordable housing, the PAC felt very strongly that at least until the Agency is ready to do that, the artwork should be left up there and the artist allowed to clean it up and fix it up so that it looks nice for a period of time until they are ready to redevelop the property. So the reason for the agreement was that the artwork was not in good condition and the artist had to fix it up. Now that he has done that, the extension is to allow him to maintain it until the Agency is ready to demolish the building. Mr. Grisso also added that the artwork has been certified by an engineer that it is safe and will not fall off the building.

Commissioner Covington stated that moving forward it would be a good idea that whenever this building comes up for discussion, to include it on the agenda for the PAC so there can be a discussion and a renewal of their adoration for this piece of art.

President Swig inquired as to when the construction is going to begin.

Mr. White stated that he expected construction to begin in 2014 and that currently they are in the historic review as well as the environmental review process.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 78-2011, AUTHORIZING A FIRST AMENDMENT TO THE PERMIT TO ENTER AGREEMENT WITH BRIAN GOGGIN, AN INDIVIDUAL, TO EXTEND THE TERM OF THE AGREEMENT BY AN ADDITIONAL 12 MONTH TERM ENDING JUNE 20, 2012, RELATED TO AN EXISTING ART INSTALLATION, HUGO HOTEL, 200-214 SIXTH STREET, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(d) Authorizing a First Amendment to the Letter Agreement with the Mayor's Office of Housing in an amount not to exceed $100,000 for contract administration and to provide workforce development services to residents of the Hunters View Development from August 3, 2010 to August 2, 2011 through a community-based organization, Family Services Agency, serving as the fiscal agent for Urban Strategies; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 80-2011)

Presenter: Erin Carson, Agency Staff

Speaker: Tessie Ester

Commissioner Covington stated that she requested this item be pulled so that they could get clarification on what exactly this item is. Ms. Covington indicated that this is not a new contract, it is an extension of a month to correct an administrative error and then in August they will have a full discussion about numbers, procedures and outcomes when this contract is up for renewal for a formal one-year extension. Ms. Covington stated that she was happy to hear about the numbers--that16 people or 41% of the people who have been working on the project come from Hunters View. Ms. Covington stated that this is essential to the success of the very important work that they are trying to accomplish at Hunters View because they are not just building buildings, but rather trying to help people build and rebuild their lives. Ms. Covington put forth a motion to move this item.

Commissioner Ubalde requested clarification on some of the outcomes that are presented in the memo. Ms. Ubalde inquired as to what types of workshops were conducted with jobseekers and inquired about the barriers to employment that were mentioned that resulted in the elimination of some of the jobseekers.

Ms. Kelly Dearman, Urban Strategies (US), indicated that some of the major barriers were that their dues needed to be paid and pointed out that all of the jobs are union jobs so US was able to help pay the dues for Hunters View residents so that they could get on the job. Ms. Dearman stated that there were also issues of not having the appropriate certifications and that US was helping with training in terms of providing transportation to the training facility. One of the other barriers was substance abuse and they were working with Walden House to provide substance abuse counseling.

Commissioner Ubalde inquired about the workshops.

Ms. Dearman responded that every Wednesday they have a jobs club and at that jobs club they remind the residents of what the priorities are and they let them know what construction jobs are coming up, what trainings are coming up and other opportunities outside of construction.

Commissioner Ubalde seconded Ms. Covington's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER UBALDE, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 80-2011, AUTHORIZING A FIRST AMENDMENT TO THE LETTER AGREEMENT WITH THE MAYOR'S OFFICE OF HOUSING IN AN AMOUNT NOT TO EXCEED $100,000 FOR CONTRACT ADMINISTRATION AND TO PROVIDE WORKFORCE DEVELOPMENT SERVICES TO RESIDENTS OF THE HUNTERS VIEW DEVELOPMENT FROM AUGUST 3, 2010 TO AUGUST 2, 2011 THROUGH A COMMUNITY-BASED ORGANIZATION, FAMILY SERVICES AGENCY, SERVING AS THE FISCAL AGENT FOR URBAN STRATEGIES; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(h) Authorizing an Indemnification Agreement with U.S. Bancorp Community Development Corporation, a Minnesota corporation, in an amount not to exceed $4,725,200 million as part of the New Markets Tax Credit financing for the College Track campus renovations at 4301 Third Street; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 84-2011)

Presenter: Angela Hayward, Agency Staff

Speaker: Oscar James

Mr. Penick started off by alerting the Commission of an incorrect reference that appears in the resolution (page 11) and the memorandum (pages 4 & 8), which in effect stated that, "in the event of a recapture event, the bank will look to the project for the first 120 days before looking to the Agency for recovery". Mr. Penick indicated that this was something they had asked the bank for early on in the negotiations and it appeared in an early draft of the indemnification agreement. However, it was a proposal that the bank ultimately could not agree to. Mr. Penick stated that, as a result, the additional 120-day cure period is not part of the indemnification agreement. The last sentence of Paragraph 11 of the resolution should be deleted and he informed the Commission that they should not rely on this reference when considering this item. Mr. Penick stated that he would be available for questions concerning this item.

Commissioner Covington stated that she was glad that they have had a chance to revisit their previous actions regarding College Track and also hear more about New Markets Tax Credit. Ms. Covington put forth a motion to move this item.

Commissioner Ubalde seconded Ms. Covington's motion. Ms. Ubalde stated that she was very excited about the New Markets Tax Credit allocation of the Agency, that it is a great financing tool to really help with these very needed services in communities like the Bayview and she looked forward to hearing about the progress that College Track is making to expand their facility into the Bayview Hunters Point foundation facility which is being used for this site.

General Counsel Morales clarified that this is as amended with the deletion to Paragraph 11 of the Recitals in the resolution.

President Swig commented that he thought that College Track rocks and that it is a great organization and they look forward to that site being built and moving forward for the benefit of the community.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER UBALDE, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 84-2011, AUTHORIZING AN INDEMNIFICATION AGREEMENT WITH U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION, A MINNESOTA CORPORATION, IN AN AMOUNT NOT TO EXCEED $4,725,200 MILLION AS PART OF THE NEW MARKETS TAX CREDIT FINANCING FOR THE COLLEGE TRACK CAMPUS RENOVATIONS AT 4301 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED AS AMENDED.

REGULAR AGENDA

Agenda Items 4(i, j, k, & l) will be presented together, but acted on separately

(i) Authorizing An Amendment To The Memorandum Of Agreement With International Federation Of Professional And Technical Engineers (IFTPE), Local 21, Architects And Engineers Bargaining Unit, To Extend The Term Through March 31, 2012. (Resolution No. 85-2011)

(j) Authorizing An Amendment To The Memorandum Of Agreement With International Federation Of Professional And Technical Engineers (IFTPE), Local 21, Management/Supervisory Bargaining Unit, To Extend The Term Through March 31, 2012. (Resolution No. 86-2011)

(k) Authorizing An Amendment To The Memorandum Of Agreement With International Federation Of Professional And Technical Engineers (IFPTE), Local 21, Professional/Technical Bargaining Unit, To Extend The Term Through March 31, 2012. (Resolution No. 87-2011)

(l) Authorizing An Amendment to the Memorandum Of Agreement with the Service Employees International Union (SEIU) Local 1021 Bargaining Unit To Extend The Term Through March 31, 2012. (Resolution No. 88-2011)

Presenter: Diane Iwata, Agency Staff

Speakers: Lily Louie, Alex Tonisson, Oscar James

Commissioner Covington stated that she thought it was great that Director Blackwell and General Counsel Morales, and other negotiators for the Agency as well as the negotiators for the unions, Local 21 and 1021, have been able to come to agreement on this item. Ms. Covington put forth a motion to move these items.

Commissioner King seconded Ms. Covington's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER KING, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 85-2011, AUTHORIZING AN AMENDMENT TO THE MEMORANDUM OF AGREEMENT WITH INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS (IFTPE), LOCAL 21, ARCHITECTS AND ENGINEERS BARGAINING UNIT, TO EXTEND THE TERM THROUGH MARCH 31, 2012; RESOLUTION NO. 86-2011, AUTHORIZING AN AMENDMENT TO THE MEMORANDUM OF AGREEMENT WITH INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS (IFTPE), LOCAL 21, MANAGEMENT/SUPERVISORY BARGAINING UNIT, TO EXTEND THE TERM THROUGH MARCH 31, 2012; RESOLUTION NO. 87-2011, AUTHORIZING AN AMENDMENT TO THE MEMORANDUM OF AGREEMENT WITH INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS (IFPTE), LOCAL 21, PROFESSIONAL/TECHNICAL BARGAINING UNIT, TO EXTEND THE TERM THROUGH MARCH 31, 2012; AND, RESOLUTION NO. 88-2011, AUTHORIZING AN AMENDMENT TO THE MEMORANDUM OF AGREEMENT WITH THE SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU) LOCAL 1021 BARGAINING UNIT TO EXTEND THE TERM THROUGH MARCH 31, 2012, BE ADOPTED.

(m) Authorizing a First Amendment to the San Francisco Redevelopment Agency Legal Services Contract with Kutak Rock LLP to provide specialized legal services primarily related to the transfer of the remaining Navy owned parcels at the Hunters Point

Shipyard from the Navy to the Agency in the amount of $490,000, for a total contract amount not to exceed $965,000; Hunters Point Shipyard Redevelopment Project Area. (Resolution No. 89-2011)

Presenter: Thor Kaslofsky, Agency Staff

Speaker: Oscar James

Commissioner Singh put forth a motion to move this item.

Commissioner Ubalde seconded Mr. Singh's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER UBALDE, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 89-2011, AUTHORIZING A FIRST AMENDMENT TO THE SAN FRANCISCO REDEVELOPMENT AGENCY LEGAL SERVICES CONTRACT WITH KUTAK ROCK LLP TO PROVIDE SPECIALIZED LEGAL SERVICES PRIMARILY RELATED TO THE TRANSFER OF THE REMAINING NAVY OWNED PARCELS AT THE HUNTERS POINT SHIPYARD FROM THE NAVY TO THE AGENCY IN THE AMOUNT OF $490,000, FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED $965,000; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(n) Approving a personal services contract with CMG Landscape Architecture, a California corporation, in an amount not to exceed $2,479,808, to provide design services and construction support for portions of the Transbay Streetscape and Open Space Plan; Transbay Redevelopment Project Area. (Resolution No. 90-2011)

Presenter: Mike Grisso, Agency Staff

Speaker: Peter Hartman

Commissioner Singh inquired about who the competing bids were after seeing that fourteen bids were submitted.

Mr. Grisso responded that he did not have the complete list in front of him but he could get the list to Mr. Singh. Mr. Grisso added that the list included other very qualified firms, such as Marta Fry Landscape Associates, Peter Walker and Associates, WRT Solomon, and others whose names he could not remember at the moment.

Commissioner Singh put forth a motion to move the item.

Commissioner Bustos seconded Mr. Singh's motion.

Commissioner Covington inquired as to which entity is responsible for the upkeep of the landscaping and the streetscape after the build out.

Mr. Grisso responded that all of the streetscapes improvements that they are building will be adjacent to new private developments, from high rise buildings to podium affordable buildings, and generally the private property owners are responsible for the upkeep and the maintenance of the sidewalks and landscaping around them. Mr. Grisso stated that this was the same general rule throughout the city. In addition to that, the Agency is proposing and has the funding to generate a Mellow Roos community facilities district that will include all of the public parcels that are in the project area and that Mellow Roos district will generate funding to help pay for the maintenance of the improvements, similar to the way Mission Bay pays for the maintenance of those parks and open spaces.

Commissioner Covington inquired about the timing of the project in that if they are talking about the sidewalks, and the sidewalks and streetscaping go in first, how is that going to impact the building that needs to come later, which is usually extremely disruptive and is not compatible with sidewalks. She stated that her concern is that she did not want the Agency to spend $2 million plus only to have to spend it again.

Mr. Grisso responded that he agreed with Ms. Covington, and stated in the areas of the scope where there are new private developments going in; they are only doing streamline construction documents and temporary improvements. The permanent improvements will be built at the same time that the projects are built so the CMG team will be generating construction documents and full design documents but the actual improvements for those spaces where there will be new private development will not get built until the same time that the private development is built. Mr. Grisso indicated that that will be staged along the north side of Folsom as the new towers go in.

Commissioner Covington inquired about whether the appropriations for this resolution will include all of that or will they have to come back for additional funding.

Mr. Grisso responded that it includes all of the design work, all of the architecture services, including full construction documents for both the temporary as well as the permanent improvements but they will be built at different times based on when the actual private developments get built.

Commissioner Covington inquired as to who was responsible for the costs of the temporary development.

Mr. Grisso responded that the Agency will be paying the cost of both the temporary and the permanent streetscape improvements to assist the private development.

Commissioner Covington inquired as to whether those monies have been discussed with the Agency.

Mr. Grisso responded that $12 million has already been allocated in the approved Agency budget for the design and construction of both the temporary and the permanent improvements. Mr. Grisso stated that they intend to request an additional $3 million in fiscal year 2012-13 for those improvements but no construction contracts have been issued and that money has not been appropriated yet. However, it is in the approved Agency budget.

Commissioner Covington stated that the Agency budget is very big so she did not recall every line item in the budget, especially when things are pushed out for a later date. Ms. Covington asked at what point will there be a discussion with CMG regarding the kinds of elements that would be most beneficial to this effort in terms of attractiveness and upkeep.

Mr. Grisso responded that that is a key part of the contract. Many of the elements that they will be working on already have approved concept designs from the 2006 streetscape and open space plan that was approved by the Agency, so those will be the basis for the construction documents, for example, for the Folsom Street improvements. For other areas, for example, Essex Street and Oscar Park and the under-ramp areas, they are starting from scratch on those designs and part of CMG's contract is to analyze every facet of both the appearance as well as the maintenance requirements for whatever is proposed. Mr. Grisso indicated that there are many community meetings involved in that, presentations to the Agency and the CAC, and they fully intend to explore every aspect including the maintenance cost of whatever is proposed. Mr. Grisso indicated that the concept plan and the designs will come back to the Agency for approval before starting construction.

Commissioner Covington stated that before they get too far downstream, she wanted to reiterate her preferences for whatever they are doing in terms of landscaping. Ms. Covington indicated that she did not want the Agency or DPW to be burdened with the upkeep of many deciduous trees that clog up the sewers and make a mess because that costs more money. She indicated that they need to save as much money as possible for affordable housing and other things. In terms of benches, Ms. Covington added that backless benches are very attractive but are only good for people who are between the age of 6 and 60. When benches are being considered, Ms. Covington would like benches that are suitable for everyone.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 90-2011, APPROVING A PERSONAL SERVICES CONTRACT WITH CMG LANDSCAPE ARCHITECTURE, A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED $2,479,808, TO PROVIDE DESIGN SERVICES AND CONSTRUCTION SUPPORT FOR PORTIONS OF THE TRANSBAY STREETSCAPE AND OPEN SPACE PLAN; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(o) Expressing the intent of the Redevelopment Agency of the City and County of San Francisco to issue multifamily mortgage revenue bonds in one or more series, in an amount not to exceed $20,000,000, to finance the construction of residential facilities located at 474 Natoma Street, South of Market Redevelopment Project Area; Citywide Tax Increment Housing Program. (Resolution No. 91-2011)

Presenter: Elizabeth Colomello, Agency Staff

Speaker: Oscar James

Commissioner Ubalde put forth a motion to move this item. Ms. Ubalde stated that she looked forward to this project moving forward and that this is a crucial opportunity of affordable housing. The economic climate in the city is making it difficult for developers and for cities to create good housing for low to moderate income communities and so the shift from for-sale housing to recommending rental affordable housing is a smart move that the commission is advocating. Ms. Ubalde stated that this makes a lot of sense with moving forward with Bridge Housing as a developer on this particular project.

Commissioner Singh seconded Ms. Ubalde's motion.

Commissioner Covington requested more information about the size of the units since she understood that this housing is going to be for families.

Ms. Colomello responded that there are 7 studios, which are about 460 sq. ft. The one-bedrooms are approximately 650 sq. ft., the two-bedrooms are 880 sq. ft., and the three-bedrooms are 1272 sq. ft.

Commissioner Covington inquired as to how many three-bedroom units there were.

Ms. Colomello responded that there are 7 three-bedroom units.

Commissioner Covington clarified then that the majority of units are one- and two-bedrooms.

ADOPTION: IT WAS MOVED BY COMMISSIONER UBALDE, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 91-2011, EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES, IN AN AMOUNT NOT TO EXCEED $20,000,000, TO FINANCE THE CONSTRUCTION OF RESIDENTIAL FACILITIES LOCATED AT 474 NATOMA STREET, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

5. MATTERS NOT APPEARING ON AGENDA: None

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.

Speakers: Tessie Ester, Oscar James

7. REPORT OF THE PRESIDENT:

President Swig stated that he had nothing to report.

8. REPORT OF THE EXECUTIVE DIRECTOR:

- *Update on Governor's proposal to dissolve Redevelopment Agencies*
  Director Blackwell stated that since the last meeting there had been quite a bit of action in Sacramento with regard to redevelopment and he stated that he wanted to update the commission on that and also provide an update on the city's budget process and where the Agency's budget rests in that process. Last week the State Assembly and Senate portions of the House passed a two bill approach to addressing redevelopment in the budget. Director Blackwell stated that the first bill very closely tracks with the Department of Finance bill that was introduced by the Governor back in February or March. That bill basically called for the elimination of redevelopment and the appointment of successor entities to wind down the existing activities. There were a couple of differences between this elimination bill and the prior one, one being the date of dissolution for redevelopment agencies, the date before was July 1 and in this bill it was October 1. The other difference relates to the second bill. There was a provision in the first bill that allows for exemption from elimination if agencies participated in the second bill, which basically says that if you pay your proportionate share of $1.7 billion in the current fiscal year to local schools in subsequent years, your proportionate share of $400 million, then you can buy your way into an exemption from elimination. The bill passed by a close margin, a majority vote in the Senate and by a wide margin in the Assembly and within less than 24 hours the Governor vetoed the budget package that the Legislature put together. The Governor's veto of the budget package did not include the redevelopment bills because those bills are actually what they call trailer bills that accompany or follow the budget. Those trailer bills have not been delivered to the Governor as of yet. There is an uneven opinion about what the Governor would do with those bills if he did receive them. Director Blackwell's understanding is that the Governor is looking at each one of the trailer bills on a case-by-case basis and many people think he may support or sign the trailer bills. Others think he would not sign those bills and there is another group who thinks that the fact that he vetoed the overall budget means that he cannot consider the trailer bills anyway. The bottom line is that the Agency is still in limbo. If the Governor were to sign the bills, the Agency's proportionate share of the $1.7 billion in the current fiscal year would be between $21 and $25 million that the Agency would have to pay by January and that the city would have to indicate whether or not it was going to pay by October 1, 2011. The Agency's proportionate share of the ongoing $400 million annually would be somewhere between $5 and $7 million. Director Blackwell indicated that he was giving ranges because the calculation is based both on the amount of tax increment that each jurisdiction gets and on the amount of debt payments that each individual agency has. Director Blackwell stated that it would be virtually impossible to calculate the number by itself because it requires knowing what everybody else's debt is. These numbers are estimates from the California Redevelopment Assoc. Director Blackwell stated that it is likely that there will be more budget deliberations very quickly because the comptroller at the state level today said that legislators have not delivered a balanced budget and therefore will not

get paid on July 1. Director Blackwell expects to see a flurry of action over the next week, so that everyone can receive a paycheck in Sacramento.

- With regard to the Agency's budget in the city process, the Agency was before the Budget and Finance Committee on Monday and the budget analyst office has recommended a little more than $600,000 in cuts to the Agency, which the Agency has agreed to. Director Blackwell indicated that there will be another round with the Finance Committee the next Monday and that that is another budget process that will close the first week of July.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

- President Swig reported that he did have something to report for the Report of the President and Charles Range would be upset if he did not bring up this item. Mr. Swig, Commissioners Covington and Singh, the ED and others had the opportunity of going to the grand opening, ribbon-cutting of the South of Market (SOM) Health Center, which Mr. Swig highly commended, stating that the facilities are state of the art, in the truest sense. There is a dental facility, wide open spaces, it is well-lighted, well designed, everything that one would desire in their health center. Mr. Swig congratulated Mr. Range on behalf of his community for completing this wonderful project and said it was a great event. Most importantly the health center will be enjoyed by all for decades to come.

- Commissioner Covington stated that this had been a very busy month in terms of the commissioners being able to go to projects that have reached fruition and are successful and to hear the stories of the people who are living in those facilities and how euphoric they are to have these wonderful places in which to live. The SOM Health Center also has the Westbrook Plaza as a component, which is fabulous housing. Ms. Covington reminded everyone about the grand opening for Armstrong Place as well, which Ms. Covington highly commended. She talked about the Armstrong Place Senior Housing, which has 116 apartments for low-income seniors as well as another beautiful, large condominium project which as 124 newly constructed affordable for-sale homes for working families, which is also state of the art, located on Third Street and is a wonderful addition to the neighborhood and people are so very pleased to be there. Ms. Covington indicated that the next day was going to be the opening of the Coronet, the old movie theatre, which now holds 150 affordable apartment homes for seniors. She stated that she is very proud of the staff, the commission and the developers who have been able to bring all of these projects online.

- Commissioner King thanked Mr. James and added that when they built the Bank of America, he was opposed to it. He stated that that was Alioto's big project. He responded that he did not want the building named after him but he thanked Mr. James for suggesting it anyway.

10. CLOSED SESSION:

Closed Session Items 10(a) and (b) were considered at the beginning of the meeting.

(a) Pursuant to Government Code § 54957.6 to confer with Agency designated representatives regarding negotiations with 1) the International Federation of Professional and Technical Engineers (IFPTE) Local 21 representing the Engineers and Architects bargaining unit, the Management/Supervisory bargaining unit, and the Professional/ Technical bargaining unit; and 2) the Service Employees International Union (SEIU) Local 1021 representing a miscellaneous employees bargaining unit. Agency negotiators: Fred Blackwell, Amy Lee, Diane Iwata, and James Morales.

(b) Pursuant to Government Code § 54957.6 to confer with Agency designated representatives regarding negotiations with the Service Employees International Union (SEIU) Local 1021 Bargaining Unit. Agency negotiators: Fred Blackwell, Amy Lee, Diane Iwata, and James Morales.

(c) Pursuant to Section 54957 of the California Government Code, a public employee performance evaluation for the position of Executive Director.

11. ADJOURNMENT:

It was moved by Commissioner Covington, seconded by Commissioner Singh, and unanimously carried that the meeting be adjourned at 8:00 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

SEPTEMBER 20, 2011

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 5th DAY JULY OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 5th day of July 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

President Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Acting Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Miguel M. Bustos
Francee Covington
Leroy King
Agnes Briones Ubalde

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Fred Blackwell, Executive Director, was not present. General Counsel Morales substituted for Director Blackwell as Acting Director.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY: No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA:

ALL MATTERS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE REDEVELOPMENT AGENCY COMMISSION, AND WILL BE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A MEMBER OF THE COMMISSION OR THE PUBLIC SO REQUESTS, IN WHICH EVENT THE MATTER SHALL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED AS A SEPARATE ITEM:

(a) Approval of Minutes: Regular Meeting of April 5, 2011

(b) Approval of Minutes: Regular Meeting of May 3, 2011

Commissioner Bustos abstained from Agenda Item 4(a), Approval of Minutes for the Regular Meeting of April 5, 2011; he was not present at the meeting.

Commissioner Covington abstained from commenting on Agenda Item 4(b), Approval of Minutes for the Regular Meeting of May 3, 2011; she was not present at the meeting.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER ANAYA, WITH COMMISSIONER BUSTOS ABSTAINING FROM AGENDA ITEM 4(a) - APRIL 5, 2011 MINUTES, AND COMMISSIONER COVINGTON ABSTAINING FROM AGENDA ITEM 4(b) - MAY 3, 2011 MINUTES, AND UNANIMOUSLY CARRIED THAT THE MINUTES OF THE REGULAR MEETING OF APRIL 5, 2011; AND THE MINUTES OF THE REGULAR MEETING OF MAY 3, 2011, BE ADOPTED.

REGULAR AGENDA

(c) Establishing classifications of positions and compensation for the Agency staff and establishing authority for appointment to and vacation from positions under said classifications and other matters. (Resolution No. 92-2011)

Presenter: Diane Iwata, Agency Staff

Acting Director Morales stated that the Agency is currently in a state of suspension for most new activities and agreements but this action before the Agency is within an exception for that suspension because it relates to previously approved labor agreements and thus can be acted up by the Agency.

Speaker(s): Ace Washington

Commissioner Bustos put forth a motion to move this item.

Commissioner Anaya seconded Mr. Bustos' motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER ANAYA, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 92-2011, ESTABLISHING CLASSIFICATIONS OF POSITIONS AND COMPENSATION FOR THE AGENCY STAFF AND ESTABLISHING AUTHORITY FOR APPOINTMENT TO AND VACATION FROM POSITIONS UNDER SAID CLASSIFICATIONS AND OTHER MATTERS, BE ADOPTED.

(d) Workshop on the Effects of State Legislation Suspending New Redevelopment Activities but Allowing the City and County of San Francisco to Take Steps to Continue the Redevelopment Agency.

Presenter: Acting Director Morales, Agency Staff

Acting Director Morales stated that the previous week had been quite a week in terms of the Agency. Although it was not a complete surprise, the state legislature finally transmitted to the Governor two redevelopment trailer bills to the budget and in the same week the Governor signed the budget, which in effect, operationalized the trailer bills and other bills that were part of the budget. Because the trailer bills dealing with redevelopment were part of the budget, they went into effect immediately. Therefore, as of Thursday, when the budget bill was signed, there were certain constraints placed upon the Agency that will be explained as well as a path or mechanism for the Agency to be able to continue. The legislature passed two bills—AB 26 and AB 27 two weeks ago, which are significantly joined together so one could not have been enacted without the other and both of them have to go into effect. AB 26 is essentially a dissolution or termination bill, modeled after the legislation that was considered in March and failed by one vote in the Assembly when a 2/3 vote was needed for that to pass. AB26 basically puts the Agency on a path toward termination by October 1, 2011. Significantly, it immediately imposes upon the Agency a suspension of any new activities and amendments of existing contracts and other actions. Mr. Morales indicated that this bill is fairly specific on what the Agency is not able to do and starts with a very general prohibition that states that the Agency shall not incur new or expand existing monetary or legal obligations except as the new legislation provides for. It then defines a number of activities that the Agency cannot perform, perhaps the most significant of which, and especially in terms of the state's interest in trying to use redevelopment money for other purposes, is the prohibition on incurring any additional indebtedness, on issuing new bonds and accepting or make new loans. In addition the Agency cannot enter into contracts for any purpose which includes loans, service contracts, leases, disposition and development agreements. The Agency cannot amend or modify existing agreements nor extend or modify the terms of existing agreements. The Agency cannot acquire property through any means for any purpose unless previously approved. The Agency cannot transfer, assign assets or funds and it cannot accept financial or other assistance from federal, state or other governmental authorities if accepting such money would incur indebtedness on the part of the Agency. Part of the reason for this very broad draconian prohibition is to essentially put redevelopment agencies into a state where all of the assets would be preserved, all liabilities would be minimized, so that upon dissolution or termination, those assets as well as the liabilities would be transferred to a successor agency which, under the bill, would be the City and County of San Francisco (SF). Under the legislation, SF would have a very narrow range of activities that it could continue to engage in during a post-redevelopment context, which would basically be implementing and carrying out any previous obligations that the Agency had, for example making payments on bonds previously issued and which the Agency is currently repaying. During this time, in the next 60 days the Agency is to prepare a list of so-called enforceable obligations that will serve as a basis for what the successor agency can do and what obligations it will assume in having to make future payments and carry out additional functions that the Agency had before. The suspension/prohibition is fairly broad and as a result, new actions that had been proposed and other items that would normally be on the agenda for today's meeting and future meetings will not be there. During this period, prior to dissolution, the Agency can do and must do certain things and they primarily relate to the carrying out of enforceable obligations. An enforceable obligation is a contract or other arrangement, whereby if one of the parties did not follow through or breached that agreement, the other party could go to court or to arbitration to seek remedy to force the other party to act. In that respect, the obligation is enforceable; it is something that one party can compel the other party to do and it is a very strict standard. Mr. Morales repeated some of the language in the legislation, which stated that the Agency can make payments on enforceable obligations, can perform obligations pursuant to those enforceable agreements, that the Agency must preserve all their assets, minimize liability, preserve all records, and avoid triggering a default. So in other words, if the Agency owes money or if the Agency must take some action or perform some activity, then the Agency must take that action to avoid the other party calling the Agency into default. As mentioned before, the Agency must establish a list of obligations in preparation for the successor agency to take over the Agency functions. The legislation defines some of the enforceable obligations explicitly, which include bonds, loans by the Agency, payments required to be made to the federal or state government, any judgments or settlements in judicial matters. To restate the language in the legislation, "an enforceable obligation is any legally binding and enforceable agreement not otherwise void and also contracts necessary for the continued operation and administration of the Agency during what is supposed to be a wind-down period before the Agency is terminated". Also explicitly mentioned as an enforceable obligation are labor agreements with the employees represented by unions. Mr. Morales stated that this is the bad news and it's fairly severe.

Mr. Morales went on to explain that in passing the legislation, the legislature and then the Governor signed another piece of legislation that is the path to continued survival of the Agency, which is AB27. Under AB27, SF, as well as other local jurisdictions where redevelopment agencies are located and operate out of, have the ability to commit to making a payment to the school district and to other local taxing entities, such as community college district, BART, etc. that already receive a portion of the Agency's tax increment each year. Mr. Morales indicated that SF may adopt an ordinance that agrees to make a payment to the schools and the other taxing entities and if it does that before October 1, the Agency will continue in existence as it has in the past, albeit perhaps with lesser resources. Mr. Morales pointed out that what was significant about AB27 and the structure for the payment is that it is not a direct obligation of the Agency to make the payment, but rather SF must agree and must provide the means by which it will make the payment. However, the legislation provides and contemplates that redevelopment agencies will be a major source of that funding for the payments that the cities commit to. Mr. Morales stated that there is a provision that the Agency can provide tax increment for the purpose of making these payments and any monies received by SF for that purpose and then paid to the school districts and other taxing entities would have to be used for redevelopment purposes consistent with the school districts' overall mission. Mr. Morales explained that what that means is that school districts would have to use the funds for schools in redevelopment project areas and for those purposes that are consistent with redevelopment.

Mr. Morales indicated that the amount that would be owed at this point in the first fiscal year is estimated to be approximately $25 million by the California Redevelopment Association (CRA). The Agency is looking at that number and trying to determine what exactly it will be; Mr. Morales stated that he believed the range is probably from $20 to $26 million. The State Department of Finance has to tell the Agency by August 1 what the exact amount is so that the Agency can then agree to make the payment with SF if that is what is decided. The money is actually due to the local agencies, the school district and other agencies on January 15 and May 15, 2012 and the amount that needs to be provided is an equal share on each of those dates. So if the total amount turns out to be $20 million, then $10 million would need to be paid on January 15 and another $10 million on May 15. The Agency staff has begun discussions with SF about possible ordinances that might be introduced. Mr. Morales indicated that obviously there is not much time between the time the Agency receives the actual numbers on August 1 and the time that SF would have to adopt the ordinance on October 1. Mr. Morales indicated that there will likely be hearings before budget and finance committees and typically there is a 30-day hold on ordinances before the committee holds a hearing and because it has to be an ordinance, there would have to be two readings of it. In addition, the Board of Supervisors does have a summer recess from mid-August to mid September. Working within those time constraints, Mr. Morales stated that he believed if all goes well, SF could have an ordinance adopted by close to the end of September and thus avoid the October 1 termination. There is also a provision in AB27 that allows the Agency to receive an extra month, until November 1, if SF believes it will be delayed. Mr. Morales also stated that if there is an interest in pursuing the ordinance, the Board of Supervisors can adopt a non-binding resolution that basically sets forth its intent to consider an ordinance that would lift the suspension and if the Board adopts that resolution, then the termination date would shift from October 1 to November 1 and give the Agency an extra month to get the ordinance finalized if necessary.

At the same time that the Board would be considering the ordinance, which is basically a commitment to pay that amount, Mr. Morales explained that it is anticipated that the Agency would propose a budget amendment that would reprogram some existing Agency funds that have been budgeted for this fiscal year and that this amended budget would go to the Board of Supervisors at the same time as the ordinance, so that SF would have both the ordinance committing to make payments as well as a means to make the payment, namely through the amended budget. Mr. Morales indicated that Agency staff is currently in broad discussions with SF about where the sources of funding would come from and what sources within the Agency are potentially available. Mr. Morales stated that staff will be keeping the commissioners apprised of that situation in the future.

Mr. Morales recapped by stating that the important deadlines facing the Agency are the August 1 statement from the State Department of Finance of the amount needed to be paid in the first fiscal year, the October 1 date for termination unless an extension is received to delay until November 1, and the payment dates of January 15 and May 15. Mr. Morales indicated that there is strong support for the Agency and that the last several months has given supporters the opportunity to lobby both the state legislature as well as speak to the Board of Supervisors and the Mayor's Office about the important things that the Agency does. Mr. Morales stated that there are a number of significant projects that have been approved over the last several months--affordable housing and non-housing projects, a number of groundbreaking events and openings, all of which will demonstrate the importance of redevelopment.

Mr. Morales explained that if the ordinance is adopted, then the Agency would continue under the same community redevelopment law provisions that were in effect previously. Mr. Morales also noted that there was talk in the legislature and there will be consideration of a third redevelopment bill, that would reform redevelopment to some extent, particularly in the area of affordable housing, financial reporting, accounting, and providing for additional audits of redevelopment agencies. There may also be some relief from overall time limitations on redevelopment plans if agencies and cities agree to contribute the amounts specified in AB27 to give redevelopment agencies and plans additional time to generate tax increments. However, Mr. Morales pointed out that these are all measures that are to be debated in the legislature and possibly considered and that they would probably not go into effect for several months. However, Mr. Morales indicated that it is important to be aware of what additional reforms and requirements the legislature might impose on those redevelopment agencies that survive and continue.

Finally Mr. Morales noted that the CRA, which is the trade organization for redevelopment agencies, has indicated that it is going to file a lawsuit challenging AB26 and AB27. CRA believes that there are a number of state constitutional provisions that have been violated by the approval of the state legislation, the most significant of which is Proposition 22, which amended the state constitution in November and required or prohibited the state legislature from shifting funds from redevelopment agencies to purposes other than redevelopment activities. Mr. Morales stated that the intent behind Prop 22 was to stop the payments that the legislature had previously required for educational revenue augmentation funds and that the Agency had made in the past several years.

Mr. Morales stated that currently the Agency is not a party to this litigation; however, if there were relief given by a court to either enjoin the legislation temporarily or permanently, it would affect all redevelopment agencies. Mr. Morales stated that the Agency will wait to see what that litigation looks like and inform on whether any additional steps are required regarding that litigation. He indicated that this is another important step that will occur and will create some uncertainty as to future activity. So for now, new activities are suspended but the Agency is pursuing a very aggressive course to have SF adopt an ordinance that would allow the Agency to continue and, in the meantime, the Agency will uphold all of their enforceable obligations, of which there are many, with those projects already approved, and continue to implement and staff those projects. Mr. Morales also stated that the Agency will prepare for actions that may be taken after the suspension is lifted. There is other staff preparatory work in getting RFP's and other matters together so that when the suspension is lifted, the commissioners will be able to consider approval actions as soon as possible.

Speaker(s): Victor Marquez, Ace Washington

President Swig stated that the listening audience very clearly heard an overview of what the Agency is facing over the next few months and thanked Mr. Marquez for his comments today, which were very truthful. Mr. Swig asked that those neighborhoods as well as those people who benefitted from the actions of redevelopment for the last several decades step up and reference the successes of redevelopment to the local supervisors. Mr. Swig urged those people in neighborhoods that are in anticipated redevelopment areas or are currently in or are anticipated to continue redevelopment areas and whose neighborhoods will significantly benefit from the activities of redevelopment to please stand up and be heard and call their local supervisors as well as others and let them know that redevelopment should continue. Mr. Swig referenced 900 acres in the southeast corner of the city, which will go to serious waste if the Agency is not allowed to continue. Mr. Swig stated that leaders of the community in that area as well as non-leaders need to contact the Board of Supervisors and tell them how their lives will be negatively impacted if the Agency is not allowed to continue its good work. Mr. Swig stated that he will be redundant on this subject until there is an ordinance which is considered and passed by the Board of Supervisors in support of continuance of redevelopment.

Commissioner Ubalde requested clarifications on AB26 & 27. Ms. Ubalde asked Mr. Morales to explain what he meant about not being able to accept and spend any federal funds, in the event that it would incur additional indebtedness. Ms. Ubalde asked for an explanation on that because she was thinking in terms of the Agency's obligation to the federal government for the Choice Neighborhoods grant and where would that fall under this particular legislation.

Mr. Morales responded that they are looking at each matter individually, including that grant, but the Agency has already applied for and the commissioners have authorized the acceptance of that money. If the Agency receives that money, it will be outside of the prohibition of AB26. Mr. Morales stated that staff will continue to carefully look at whatever action is required under the grant so that it is consistent with state law.

Commissioner Ubalde stated that Mr. Marquez had pointed out that obviously an extension would be a smart direction for the Agency to take. Ms. Ubalde asked about the implications of requesting an extension, whether it would hurt the Agency or not, and whether it would not just be a good idea to go ahead and apply for that extension.

Mr. Morales responded that they intend to ask the Board of Supervisors for the extension just to have that cushion so the request for an extension is in the works.

Commissioner Ubalde asked if staff knows if there is any interested sponsor on the Board of Supervisors for this particular ordinance.

Mr. Morales responded that it was too early to determine that so they are still working with the Mayor's Office, the Comptroller's Office, and the City Attorney's Office on the broad outline of the ordinance and that sponsors will be determined very soon.

Commissioner Anaya asked Mr. Morales to give the commissioners an estimation on the amounts of payments for the subsequent years, since Mr. Morales explained that the estimated amount of SF initial contribution will range from $20 to $25 million but he also stated that the following years will be much less.

Mr. Morales responded that the CRA estimated that for subsequent years the amount would be under $5 million and that there are two separate formulas that are used: one for the first year and one for the second year. The formula for the second year allows for the amount in the second and following years to be further reduced because AB27 refers to state legislation that will be considered that will reduce the amount of the payment if redevelopment has projects that fulfill certain state purposes, such as enhancing smart growth, reducing gas emissions and the like. Mr. Morales stated that that legislation has not been enacted but it may reduce the $5 million to an even smaller number by adjusting the formula. The payment for the first year goes back to the Governor's first proposal to eliminate redevelopment at the beginning of the year and is designed to try to recapture $1.7 billion that could be used for purposes other than redevelopment. The $1.7 billion is the amount entered into the formula for the first year, which results in a much bigger amount that they will have to pay the first year.

Commissioner Anaya asked who the Agency is talking to in SF, whether it is the Mayor's Office or the Board of Supervisors or both.

Mr. Morales responded that they are talking to the Mayor's Office, Comptroller's Office and City Attorney's Office about next steps but indicated that it has only been two business days since all of this has come down.

Commissioner Anaya clarified then that the Agency has not begun conversations with the Board of Supervisors.

Mr. Morales stated that he was not personally aware of conversations with the Board but stated that once they had checked the ordinance and figured out the payment method, staff could start those conversations and he believed that was what Director Blackwell intended to do.

Commissioner Anaya inquired about the protocol in setting up appointments with the city to start these conversations.

President Swig responded that it was their own initiative to get that going but cautioned that they allow staff the time to work with the City Attorney's office to fashion the legislation so that when they do go to the Board, they know what they are asking for. In the spirit of continuing the activities of redevelopment, Mr. Swig encouraged the commissioners to make that contact and to keep in mind that the key date is August 1. Mr. Swig indicated that he had already spoken to a couple of supervisors.

Commissioner Anaya inquired about the possibility of the commission setting up meetings with the Board of Supervisors.

President Swig suggested that they wait until Director Blackwell returns from vacation and suggested that they contemplate what their strategy should be in moving forward as a commission.

Commissioner Anaya thanked Mr. Morales for his presentation and his summary and thanked the public for their offer to come and help with this issue.

Commissioner Covington inquired as how the $25 million would be distributed; whether the money would go back to the state and then the state would send it back to SF and then redistribute it. Ms. Covington asked Mr. Morales to describe the process.

Mr. Morales responded that the payment would be made directly to the city comptroller for placing it within the school district fund and that it would not go to the state first but rather would stay local because it is comprised of local funds.

Commissioner Covington inquired about the challenge made by the CRA and if that challenge was to be based on the constitutionality of AB26 & AB27.

Mr. Morales responded yes.

Commissioner Covington asked if he was anticipating that it will then be fast-tracked to the California Supreme Court.

Mr. Morales responded that he believed that the CRA will seek to file directly to the California Supreme Court, which is an extraordinary measure, and that it is completely within the discretion of the Supreme Court to accept it or send it down to a lower court to hear. Mr. Morales indicated that it will most likely be expedited no matter what court hears it because the CRA will ask for a preliminary injunction to stop the law from going into effect. The court would then have the option of temporarily enjoining the matter until a hearing takes place and until it is able to make a decision or it could allow the law to go into effect until it hears the matter. Mr. Morales pointed out that if the law is temporarily enjoined in the Agency's effort to pursue an ordinance adopted pursuant to part of that legislation; this would lend another level of uncertainty. Mr. Morales believed that the CRA is considering that fact but they won't know until action is filed and relief is sought. A video conference is scheduled for Thursday by the CRA, which they are doing because the lawsuit will be filed by that time. Mr. Morales indicated that at this time clearly the CRA will seek some immediate relief to stop the state from implementing that law.

Commissioner Covington asked if the court is currently in session or in recess.

Mr. Morales stated that he was not sure about the California Supreme Court's schedule.

Commissioner Covington stated that the schedule of the court would also play into the timing of all this. Ms. Covington inquired as to once the preliminary injunction is handed down, what would happen next to the Agency.

Mr. Morales responded that they would have to see what the injunction says. It could be a very broad or a very narrow injunction. Mr. Morales indicated that it could lift some of the restrictions placed on agencies or perhaps will say that no aspect of the law will go into effect. It could also say that it will consider this at a later date but the law should continue on the path of implementation. Mr. Morales indicated that they will need to determine what it is that the Agency can do once they receive the court order.

Commissioner Covington inquired as to who the plaintiffs were to the lawsuit since the SFRA is not party to the lawsuit. Ms. Covington inquired as to whether there are other agencies or counties that are party to the lawsuit or is it solely the CRA.

Mr. Morales responded that he did not know the answer but he knew that the CRA has filed two lawsuits involving the ERAF payments made in 2010 and 2011 which they were a party to as well as individual redevelopment agencies. Mr. Morales indicated that the point of doing that is to be able to tell the particular story of the Redevelopment Agency and how this law will have such a terrible effect by undercutting legitimate operations of the Agency. He pointed out that, in that sense, the San Francisco Redevelopment Agency would not be the best plaintiff because they do have a path forward and it will be able to survive this. However, there will be other agencies that will go out of business and not be able to comply with existing obligations. Mr. Morales stated that the point of putting together the plaintiffs in a lawsuit like this is to show the court the worst possible scenarios demonstrating not only the unfairness of the law but how it is inconsistent with the overall intent of the legislature and the constitution.

Commissioner Covington asked to be able to see the first page of the lawsuit that delineates who the parties are and who has stepped forward to have their city seal affixed to the lawsuit.

Commissioner Singh inquired that since the CRA has filed this lawsuit with the California Supreme Court, as to what the effect will be on the Agency once they have made their decision and will the Agency still be in existence.

Mr. Morales responded that regardless of the lawsuit, the Agency will still be in existence because the Agency does have a path forward to have the city pass an ordinance to allow the Agency to continue. He indicated that that lawsuit is still to be filed and the court is unlikely to act immediately upon it, but one possibility is that the court will stop the law from going into effect and everything will continue as usual. Mr. Morales also pointed out that even though the lawsuit will be filed with the California Supreme Court, that court could direct it to a lower court, which is the more common and more likely scenario, so that a lower court reviews all the facts and then have it be brought up to the higher court.

President Swig indicated that they will stand by and wait with baited breath for the results of this lawsuit. Mr. Swig indicated that there is still much work to be done regardless of what happens in the next couple of months and he wanted to assure the commission as well as the public that this is not over by any means.

5. MATTERS NOT APPEARING ON AGENDA: None

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS:

Speaker(s): Ace Washington, Charles Range, Linda Richardson

7. REPORT OF THE PRESIDENT:

- President Swig indicated that throughout the meeting he had already given his report on various matters and did not have anything else to say.

8. REPORT OF THE EXECUTIVE DIRECTOR:

- Acting Director Morales stated that they will be working with the Agenda Review Committee regarding upcoming meetings to make sure that either there are items worthy of consideration or to recommend to not have a meeting, if appropriate. Several matters will need to be taken up over the next several weeks, one of which is the proposal to amend the budget to accommodate the city's payment under this new state legislation. Mr. Morales pointed out that in the packet before the commissioners, as an example of an activity that will continue by the staff, there is a notice of a request to issue proposals for one of the first significant developments in the Transbay project area for blocks 6 & 7, which is a market rate and affordable housing project. Mr. Morales stated that final approval and selection is conditioned on the Agency having the ordinance passed and its full authority restored. In the meantime they want to start the process of gathering applications and starting some level of review so when ordinance is adopted or when the Agency is able to continue its full operations, the commissioners will be able to consider that matter at the earliest possible time. Mr. Morales stated that they are trying to let applicants know that there are changes in the state legislation but they will continue with the process until further notice.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

- Commissioner Covington stated that in light of the upcoming pressing schedule, she requested that the Commission Secretary contact each commissioner to find out when commissioners will be out of town since this is the prime time for vacations, etc. and to gather that information for August and September.

- President Swig asked the Secretary to contact each commissioner to check possibility of attendance for every future scheduled commission meeting throughout October.

10. CLOSED SESSION: None

11. ADJOURNMENT:

It was moved by Commissioner King, seconded by Commissioner Singh, and unanimously carried that the meeting be adjourned at 5:15 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

SEPTEMBER 20, 2011

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 19th DAY JULY OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 19th day of July 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Miguel M. Bustos
Francee Covington
Leroy King
Agnes Briones Ubalde

And the following were absent:

Rosario M. Anaya

Fred Blackwell, Executive Director, and staff members were also present.

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2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY: No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA :

ALL MATTERS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE REDEVELOPMENT AGENCY COMMISSION, AND WILL BE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A MEMBER OF THE COMMISSION OR THE PUBLIC SO REQUESTS, IN WHICH EVENT THE MATTER SHALL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED AS A SEPARATE ITEM:

(a) Approval of Minutes: Regular Meeting of May 17, 2011

(b) Approval of Minutes: Regular Meeting of June 7, 2011

(c) Authorizing the application for a U.S. Department of Housing and Urban Development Housing Opportunities for Persons With AIDS National HIV/AIDS Strategy Program grant in an amount not to exceed $1,375,000 to fund local HIV/AIDS planning and housing services; Housing Opportunities for Persons with AIDS Program. (Resolution No. 93-2011)

(d) Commissioner Covington stated that there were corrections to the minutes of May 17, 2011, which she had mentioned to the Commission Secretary earlier. On page 17 of 23, the exchange between President Swig and herself was incomplete. Also in the minutes of June 7, page 21 of 34, the vote of the President is not reflected in the listing of those who voted on the commission. With those corrections, Ms. Covington motioned to move the consent agenda.

President Swig indicated that it was an affirmative vote that he had made.

Commissioner Bustos seconded the item.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT APPROVAL OF MINUTES FOR THE REGULAR MEETINGS OF MAY 17 AND JUNE 7, 2011, AND THAT RESOLUTION NO. 93-2011, AUTHORIZING THE APPLICATION FOR A U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS NATIONAL HIV/AIDS STRATEGY PROGRAM GRANT IN AN AMOUNT NOT TO EXCEED $1,375,000 TO FUND LOCAL HIV/AIDS PLANNING AND HOUSING SERVICES; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

REGULAR AGENDA

(e) Informational design workshop on the proposed new Salesforce corporate headquarters in Mission Bay; Mission Bay South Redevelopment Area.

Presenters: Kelly Kahn, Agency Staff; Ford Fish, Director of Campus Development, Salesforce; Evan Rose, Urban Design Plus; Victor Legorreta, Legorreta Architects.

Speakers: Corinne Woods, Oscar James, Ace Washington

Commissioner Bustos stated that he liked the design and even though he realized that the details are yet to come, he indicated that he really liked the way the project was laid out. With regards to the use of retail space, Mr. Bustos stated that there are some great San Franciscan restaurants that have been around for a long time and this would be a great opportunity to get them involved and give them a chance to have first dibs on some of these spaces. Mr. Bustos stated that this might be a great opportunity to support local hometown small mom and pop businesses and still give the flavor of San Francisco to those who will be working and living in that area. Mr. Bustos stated that he was very happy about the use of the space, and liked the fact that the design looks like there is life, is vibrant and colorful, and that communities will be able to use the public space which he thought was important. He stated that he wanted to continue that and really reach out to the communities. About Mr. James' comments about opportunities, Mr. Bustos repeated his desire to give people who are from here the opportunity to build their own communities because when they do, they leave a lasting impression. One of the designs was of Levi's Plaza, where Mr. Bustos now works and recalled that his father worked on the construction of that plaza in the 70's. Mr. Bustos stated that his father would never have imagined that his son would one day be working in that building and Mr. Bustos is very proud of that fact. He wants other people to feel the same pride. Mr. Bustos noticed that there are lots of art pieces integrated into the designs and indicated that it would be great if some local folks could benefit from creating some of that art, the outside art as well as the inside art. Mr. Bustos indicated that there are wonderful artists native to San Francisco who have produced great work and this would give them an opportunity to add to the beauty of this city through their eyes and work. Mr. Bustos stated that looking at the slides, he sees a place, a location, a campus, a community that is very iconic and San Francisco is known for many of its iconic buildings. He stated that when you see those kinds of buildings, you know they are in San Francisco. Mr. Bustos commented that he looked forward to seeing more of the details and learning more about how to get the communities involved in this project.

Commissioner Ubalde echoed Commissioner Bustos' comments on the design and the elements, the vibrancy, color and inclusion of the open space. Ms. Ubalde inquired about a childcare center for Salesforce employees and wanted to know more about the space itself. Ms. Ubalde inquired as to whether there will be a safe loading/unloading area for parents to drop off their children at the center.

Mr. Fish responded that the childcare center was very high on their priority list. It will have space for 175 children, from infants to young children. They are working with a childcare consultant currently to help lay out the center and to be sure it is done according to regulation but that it is also a pleasing and exciting place to be. Mr. Fish indicated that the plan was to make sure that parents could drive up to the front door and drop off children. Mr. Fish stated that they have a couple of parking garages and the childcare center will be somehow connected to those garages with easy access. The requirements for childcare are that you have to have as much outside play area as inside and that is one of the biggest challenges. They are working to make that happen.

Commissioner Ubalde stated that it sounded like Salesforce's commitment to the community was very high on the mission list and she wanted to echo her fellow commissioners in the statement about the 1% equity of giving and grants to various non-profits. Ms. Ubalde inquired about their efforts to support youth and workforce development and entrepreneurial opportunities. Ms. Ubalde repeated how Mr. James had mentioned integrating the opportunities to have youth involved and Salesforce is such an innovative company, she wanted to know if there will be grant funds for nonprofits that are providing those kinds of entrepreneurial opportunities for young people to be connected to Salesforce as well as other areas that could promote the city's future workforce. Ms. Ubalde inquired as to how those dollars would be part of their next step in rolling out to other communities besides Mission Bay.

Mr. Fish responded that they have been working closely with the Agency in terms of the diversity hiring program, that there is a labor agreement there and a lot of push to really get the right kind of support for the community and embrace the community by including them in the entire project. Mr. Fish stated that they are making headway in that area. There was an outreach for RFP's for putting the design team together and he stated that they don't have many people on the design team yet because they are in the very beginning stages of putting that together. During the preliminary work, they had 350 firms that submitted RFP's or RFQ's to the team as a result of that effort and he thought that would yield a very high participation rate. Mr. Fish reiterated that they are committed to the diversity program in regard to construction hiring as well and all the local hiring and diversity hiring that goes along with that. As far as youth programs, he mentioned that through their foundation they have a good track record of reaching out to youth and developing them. Mr. Fish reiterated that this was a community effort and they want to be a part of that community.

Commissioner Ubalde inquired about the rooftops and that it was mentioned during the presentation that they hoped to be able to use less on the roof. Ms. Ubalde asked for an explanation about that comment because she was thinking of maximizing use on the roof for things like gardens, etc. to promote the use of the rooftop area.

Mr. Fish explained that there are two buildings that have fitness centers on the roofs and open areas with pools and outdoor workout areas. Mr. Fish also mentioned that they will have a lot of outdoor terracing with landscaping. So the actual rooftops themselves have a lot of large mechanical equipment and what he was proposing was to use a different technology to chilled beam and heat pumps that cut down dramatically on rooftop equipment. What they want to see is a lot of silver panels and not a lot of equipment.

Commissioner Covington stated that it was a pleasure to be able to spend some time with the team as well as looking at the model for this project. Ms. Covington wanted to compliment everyone for their vision and innovation. She mentioned that this was not bland and was not business as usual and was more of a reflection of the kind of innovative company that Salesforce is and is more reflective of San Francisco as a city within a region known for its innovation. She thought that the entire project was a great reflection on the city and will also be very attractive to people who are now taking the bus or driving. She mentioned that it is amazing that there are 14 acres involved in this project because otherwise they would be left with a colorful stand-alone building but this project constitutes an entire strip along major thoroughfares that people can see as a cohesive and exciting design which will be a pleasure to the eyes. Ms. Covington stated that she was happy Salesforce chose San Francisco because they could have chosen a site anywhere and she is always happy to hear about the commitment to the city. There are a number of long-term families in this city who have taken their headquarters elsewhere and Ms. Covington expressed happiness that Salesforce is here and about their commitment to employment, workforce development, and grant giving to the youth of the city. Ms. Covington inquired as to what Salesforce is and what it does and stated that she was inquiring for people listening at home.

Mr. Fish introduced Bruce Francis to answer those questions about Salesforce.

Mr. Francis, Salesforce, responded that Salesforce is cloud computing for business and explained that cloud computing is accessing services via the browser on your computer, like buying on Amazon or having a g-mail account. Mr. Francis explained that Salesforce has almost 100,000 small, medium and large customers around the world who use Salesforce to manage their sales teams, customer service operations, and to collaborate on projects all across their businesses. Salesforce tries to make that easier for them so they don't have to install big server farms and use lots of energy. Salesforce runs those services more energy-efficiently in their data center at a much lower cost and makes it much easier to use. Mr. Francis stated that they are publicly traded on the NY Stock Exchange under the symbol CRM, which stands for Customer Relationship Management, which was the core application that they started out with and have broadened since then.

Commissioner Covington asked what the purchase price was for the 14 acres.

Mr. Francis responded that it was $278 million.

Commissioner Covington inquired whether it was correct to state that this is the site that was originally planned for a biotech company.

Ms. Kelley Kahn responded that part of the vision in Mission Bay South was to grow a biotechnology cluster and that all the private parcels surrounding the UCSF Mission Bay campus are zoned for both office and biotech and life science. In Mission Bay South they already have a very robust cluster with about 35 biotech companies there, including Fibrogen, Merck, Cellgene, etc. With this purchase of 14 acres and approximately 2 million sq. ft., which is going to be all office, there is already about 1.1 million sq. ft. of biotech uses there and in the pipeline there is another 900,000 sq. ft. that could be used for biotech. Ms. Kahn stated that the two uses are very compatible.

Commissioner Covington inquired about how many pavilions there would be and how large would they be.

Mr. Legorreta responded that there are three pavilions and the idea is to offer more public use for them so one will have a restaurant, one will have meeting rooms and the other will have an auditorium. Their sizes range from 1500 to 3000 sq. ft. Mr. Legorreta stated that they want to keep them flexible because the idea is to collaborate with an artist and wanted to give the artist the flexibility for his own expression. He sees them as playful structures and more playful than the other structures.

Commissioner Covington inquired if they were envisioning a competition for the pavilion design or if they already knew who those companies might be.

Mr. Legorreta responded that they do have some artists in mind that can work on them but no one has been commissioned yet and will not be until they discuss it with the Agency. They wanted to make sure it was someone who can work on a team so they are looking for very talented artists as well as people who can work on this kind of campus.

Commissioner Covington asked Mr. Legorreta if he was a senior or junior.

Mr. Legorreta responded that he was the junior and that his father was the other partner on the team.

Commissioner Covington inquired as to whether there was a Legorreta III.

Mr. Legorreta responded yes, but that he was 12 years old.

Commissioner Covington stated that she probably would not be on the commission when Legorreta III comes before the Agency someday. She inquired if he had had an opportunity to discuss with his team on how to include some of San Francisco's local talent. Ms. Covington stated that they were very deep in talent in this area for architecture and other design projects but stated that wherever there are opportunities to highlight local talent, it would fantastic.

Mr. Fish indicated that there was a significant art budget that goes along with the project, with 1% of the project being dedicated to art. Mr. Fish stated that while they have the three pavilions that will be integrated into the project and will work with Agency to find artists to work on them, it still leaves a huge art budget and they would certainly look to engage local artists to help with that process and will work with the Agency to come up with a way to do that.

Commissioner Covington stated that that would give the local art community quite a boost and stated that she looked forward to hearing more about those details as they become available. Ms. Covington thanked the team for incorporating all the outdoor public spaces and stated that she believed it was essential not to be closed off from the larger community. Ms. Covington inquired about whether there is also interior public space available.

Mr. Fish responded that besides the retail space, which is open to the public, they intend to have a 500-seat auditorium in the facility which will be open for public events and to the extent that the pavilions end up being meeting rooms of some kind, that could also be open to the public.

Commissioner Covington thanked everyone for their work on this project and stated that she looked forward to the ground-breaking and the ribbon-cutting.

Commissioner Singh inquired about what the structure was in the center that looked like a windmill.

Mr. Legorreta responded that it was a tower which came as part of a SF tradition of having vertical towers in front of the bay and the idea of having sustainable function inside the building. They are working with a wind consultant about whether there can be wind turbines inside the buildings to produce energy for electricity for the public areas.

Commissioner Singh asked if anyone will be working inside the building.

Mr. Legorreta responded that the towers are meant to serve to guide people through the open spaces and serve as symbols to just mark the two entrances from the sea and from 3rd Street.

Commissioner Singh stated that the color combination was beautiful and inquired as to whether the colors will be same as what is shown in the pictures.

Mr. Legorreta responded that right now they are proposing those colors but the final colors are still under consideration. He stated that the idea is to have terracotta and stone as the base and then to have the accent colors on the roofs of each of the buildings. Also the pylons will have lights so they work as an urban lantern.

Commissioner Singh stated that he noticed that Salesforce has 2500 people working in San Francisco already and inquired how many people will be working there when the building is completed.

Mr. Legorreta responded that the campus is designed for 8,000-9,000 people when it is completed.

Commissioner Singh inquired where the other Salesforce offices are.

Mr. Fish responded that Salesforce is a global company and that they have offices all over the world, throughout the United States, in Europe and in Asia. San Francisco is their headquarters and where they have the majority of their workforce.

Commissioner King stated that he thought that this time Ace Washington was correct. Mr. King accused Salesforce of going out into a community that is really a black community and not wanting to include any blacks in the project. Mr. King stated he did not know how the Agency and the staff had allowed Salesforce to come here and not try to get somebody black from that area because it's a black community and he was ashamed of them coming here and figuring that they were just going to run over our community without even giving them an opportunity to be a part of it. Mr. King directly asked why Salesforce did not do that.

Mr. Fish responded that they were following the program that the Agency laid out. Mr. Fish stated that they only have a couple of people on the initial design team so far. Their intention is to work with the Agency and to meet all the diversity hiring requirements and stated that they have come a long ways in that regard. Mr. Fish stated that they are at the beginning of the process but they are committed to meeting what the city has set out as requirements for diversity hiring and he guaranteed that in future meetings they will have a more diverse group. He stated that today only a few people were there from the team in the very first step in the project and that there is a long way to go. Mr. Fish stated that Salesforce has worked closely with George Bridges from the very beginning to make sure that they do meet the diversity hiring requirements because they believe in them. Mr. Fish reiterated that Salesforce is very committed to the community and to the Mission Bay community especially.

Commissioner King inquired whether they went before the PAC.

Mr. Fish responded that they did go before the community group in Mission Bay.

Commissioner King inquired if any of those people asked why Salesforce does not have one black on their staff or part of their team. Mr. King stated that he could not understand how the Agency staff did not ask that question. He stated that here is an organization that comes into their city and does not even try to recognize what is in that community. He stated that he thought Ace Washington laid it out clearly as far as what was out there and the kinds of people who lived there. Mr. King stated that he even lived out there many years ago. He stated that he believed staff should have done more to tell Salesforce to do more research but stated that he hoped that they do before they come back before the commission because Mr. King said he was not enthused about the project right now. He stated that so far it was a beautiful project but they must have some of the people from the community as a part of their team, and they should go out there and interview some people and talk to them and find out what's going on.

Mr. Fish responded that they will do that, that right now they are less than 1% on the journey but that they hear him.

Commissioner Ubalde inquired about evening uses of the spaces and about what the hours of operations will be at night. Regarding security, Ms. Ubalde inquired as to what measures they are considering in terms of public safety that will be integrated into the evening spaces that will be available to the public.

Mr. Fish responded that they have not yet worked out a program for operation because it is too early in the process. He stated that Salesforce has a workforce that works a wide range of hours from early in the morning into the evening so he expected that there will be activities going on all the time. He anticipated with having retail in some of the spaces, that activity will continue well beyond the normal work day and after 5pm.

Mr. Legorreta reinforced that comment and also wanted to respond to Commissioner Bustos regarding the food. He stated that the food will not be just for Salesforce, but the idea is that the restaurants will be open to everybody. Mr. Legorreta stated that Salesforce Chairman Mark Benninghoff wants to have people from the community open their own restaurants and not just large franchises but have culturally diverse restaurants run by locals. As far as security, no decisions have been made as to a time for closure late at night but indicated that the area will be open most of the day.

President Swig thanked everyone for their presentation and stated how exciting it was. Mr. Swig stated that he had had the opportunity to have a private viewing earlier and it is a very thrilling project. For the purposes of the listening public as well as for the commission, Mr. Swig inquired about a timeline on development, construction, opening, phasing, etc.

Mr. Fish responded that they are at the beginning of the timeline and that it will take awhile to get through all the approval processes and get the drawings together, but he anticipates starting construction in the summer of 2012. The first two buildings would open up approximately two years later with the second two buildings opening up quickly after that. Mr. Fish stated that their intention is to focus on the center of the campus, the four blocks that are in the middle.

President Swig inquired what the total construction period would be for the entire campus.

Mr. Fish responded that he did not know the full campus construction period yet but it could stretch out seven years or so depending upon several things.

President Swig stated that what he was looking for was a 1-3, 3-5, 5-7, 7-9 or 15- year period.

Mr. Fish stated that hopefully they will be in there in 3 years because they want to get in as quickly as possible with the beginning of the campus and then stretch on over several years after that.

President Swig inquired about the MTA issue to the Executive Director. Mr. Swig stated that he agreed with the community speaker today that currently there are 9,000 staff members, who are just Salesforce staff, but adding in restaurants, custodial, etc., that will total a lot of people using that space. Mr. Swig added that there will be a hospital opening up across the street with hundreds to thousands of people there, significant residential being added plus more commercial office area as well and maybe even the public who will come down to enjoy the retail spaces along 4th Street and a reinvigorated shoreline. The Muni metro 4th Street train will not be able to handle all those people so Mr. Swig inquired as to when the Agency will begin engaging the MTA and when does the MTA begin engaging this project.

Mr. Blackwell deferred to Kelly Kahn, project manager, to respond.

Ms. Kahn responded that the 3rd Street light rail does travel through the center of Mission Bay which opened in 2005 in anticipation of this project. The MTA does have plans, however, to increase bus service to Mission Bay, the 22 line, and either the 30- or 45-line are being planned to come to Mission Bay as well. The MTA is in the process of seeking funding for this and Ms. Kahn stated that now is the time to put some pressure on the MTA to work on this project because it is the MTA's obligation to find the money to expand their services for this project. Ms. Kahn stated that there is another opportunity for trans-enhancement there, which the MTA is also seeking funding for, which is called the Mission Bay Loop, on the T-line. They want to be able to fund the infrastructure for a turnaround loop for the T-line which would effectively double the T-line service for Mission Bay. But at the moment, that is another funding shortfall that they are seeking funding for. Ms. Kahn repeated that now is the time for the Agency to begin conversations with the MTA to get this going.

President Swig made an official request to Director Blackwell that they begin engaging with MTA about this project. Mr. Swig stated that he was not around when the Mission Bay EIR was approved, but he is familiar with the Bayview Hunters Point EIR and that transportation was a major piece of it. Mr. Swig stated that he spent many hours reviewing and chatting about transportation and that the transportation segment is a cornerstone for that community and that the community will fail without the transportation component. Mr. Swig stated that he was sure there is also a transportation section within the Mission Bay EIR and that it needs to be addressed now. He stated that all the work on this project could be seriously handicapped for lack of transportation and the whole issue of the environmental sensitivity of this will simply invite cars and their smoke, noise, etc. Mr. Swig also agreed with Commissioner Bustos and Covington in regards to the artistic talent in San Francisco, there is the San Francisco Art Institute, the Cal College of Arts & Crafts (CCAC), several design colleges, a very fertile arts community in the city, leading museums, international artists, artists for metal sculptures, and echoed the other commissioners' request to Salesforce to include local talent for this project. Mr. Swig stated that with this magnificent architectural design they have presented to the commission, it is not about San Francisco, this is new design and new territory for San Francisco. However, Mr. Swig suggested that there be a sense of place within the project so that this is not just a magnificent piece of architecture that lands from Mars on Mission Bay and has no relationship to the city. Mr. Swig invited them to bring in local artists to give Salesforce a sense of place as a part of San Francisco. And to echo Commissioners Ubalde and King, the community training piece is critical. Mr. Swig stated that Salesforce will be coming back before Agency numerous times and Mr. Swig promised Salesforce that when they come back they will continue to hear about community jobs, training, enrichment, embracing the community, no matter what color. Mr. Swig repeated that the Agency is absolutely sensitive to what Commissioner King was talking about--that the southeast corner of San Francisco which happens to be populated significantly by African Americans but is also populated by Latinos and Asians and all the people who need to be brought into the new Mission Bay community. Mr. Swig mentioned that Mr. Benninghoff is to be commended for creating the philanthropic projects that he has as an infrastructure as part of his company but Mr. Swig hoped that they would share that philanthropy in supporting community training and embracing the local community, black as well as any other race or culture in Mission Bay. Mr. Swig inquired about the use of the rooftops as a San Franciscan who went to a city school that had playgrounds on the rooftops and suggested that they use the rooftops as play spaces for children.

Commissioner Covington stated that everyone knows that workforce is near and dear to her heart and stated that they also have George Bridges who would help inform the Commission on the continuing discussions about the Agency's push to make sure San Francisco citizens is well-represented.

George Bridges, Senior Contract Compliance Specialist, stated that they do take the workforce MBEWB Minority Business Program very seriously and that it has been a great opportunity working with Salesforce to create diversity and offer opportunities to all ethnic groups. Mr. Bridges stated that only 1% of the contract in dollars has gone out and they are currently waiting for proposals to come in over the next few weeks to begin reviewing those proposals. He stated he was confident that Salesforce will create a team that reflects the diversity of the city and county of San Francisco. Mr. Bridges directed his comments to Commissioner King and stated that if Mr. King has consultants that he would like them to incorporate into the project as well as on the construction side, they are open to his suggestions. Mr. Bridges mentioned that on the initial RFQ, they sent notice to all of the CAC's and the PAC's so that they would know that Salesforce is looking for those opportunities, especially in the southeastern sector of the city.

President Swig wrapped it all up by saying that if only 1% is completed, it is already spectacular and can't wait for the remaining 99% and that the commission looks forward to repeated visits by Salesforce before the Agency to get this project passed and moving forward and fully occupied as soon as possible.

5. MATTERS NOT APPEARING ON AGENDA

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.

Speakers: Michael Hamman

7. REPORT OF THE PRESIDENT

President Swig stated that he would like Director Blackwell to report on the Sacramento update and what is on the horizon for the Agency. Mr. Swig stated that he would like to advise the public, including the speaker who just informed the Agency of his needs, that the Agency will be in a stalemate until they can resolve issues with the State. Mr. Swig explained that the Agency cannot take on any new projects and cannot do many of the things that they would like to be doing and the next couple of months will be slow-moving, which the entire Agency is very sad about, and the commission is very sorry that they will not be able to move on items as quickly as they would like. However, Mr. Swig stated that the commission appreciates the public's patience and the current issues at hand will be resolved and he looks forward to a better and more productive future.

Mr. Swig welcomed and acknowledged a new intern working for the Agency for the remainder of the summer, Medina Ott, who comes from the Coro Foundation and looked forward to her working at the Agency.

8. REPORT OF THE EXECUTIVE DIRECTOR

Mr. Blackwell provided an update for where things stand with Sacramento and apologized for being redundant from the last meeting. The Governor signed two bills into law as part of the State budget, Assembly Bills 26 & 27. AB 26 essentially eliminates redevelopment agencies statewide and AB 27 allows for agencies to be exempt from the elimination bill if they pay their proportionate share of the $1.7 billion directly to the schools in the upcoming fiscal year and a smaller proportionate share on an ongoing basis directly to the schools as well. Mr. Blackwell stated that he would like to summarize both bills and then move on to next steps, particularly with regard to the second bill and the city's pursuit of exemption from elimination for redevelopment locally. AB 26 says that agencies are eliminated effective October 1, 2011 and between the period where the Governor signed the bill and October 1, agencies are prohibited from entering into any new agreements and are only able to work on things that are enforceable obligations entered into before June 29. Mr. Blackwell explained that enforceable obligations are loans, bond payments, and contractual obligations that were entered into prior to that date, and any new activities that the Agency is prohibited from entering into are: new loans, new contracts, amending any existing contracts and acquiring any property or doing any work associated with the adoption of new project areas and the amendment of existing project areas. Between now and when the Agency becomes exempt, those are the things that the Agency can and cannot do. AB 27 allows for agencies to pay to become exempt from elimination and Mr. Blackwell indicated that there a few things that need to happen in order for that to occur. The first thing is that agencies are required to adopt, prior to October 1, continuation ordinances and what is important to note about them is that it is the local host jurisdiction for redevelopment agencies that is responsible for adopting these ordinances and making the payments. Mr. Blackwell stated that this is really important to know because that signifies that it is not the commission or the Redevelopment Agency that is responsible for signaling to the state that they intend to pay nor is it the responsibility of the Agency for actually making the payment. If there is a release valve on the October 1 date, and that release valve means that if a jurisdiction adopts a resolution saying that they intend to adopt the ordinance, they are given an extra 30 days to adopt the ordinance, which means that they then are able to adopt the ordinance and continue operations by November 1 rather than October 1. Mr. Blackwell indicated that his advice to both the Mayor and the members of the Board of Supervisors (the Board) that he had had the opportunity to brief was that they adopt the resolution expressing their intent to adopt the ordinance. The reasons for that are: 1) it is a non-binding resolution and so the Agency can back out of it if necessary and it does not mean that they have to wait until November 1 to adopt the ordinance, but it just gives the Agency the time to do so; 2) the Agency may need the time. The Board goes on recess for the entire month of August and then once they come back, there is an expectation that they will take a deliberate and transparent pathway to adopting this ordinance which means that it will go through committee and there will likely be discussion about the payment strategy, etc.; and 3) the payment is complicated. Jurisdictions are given a variety of options with no restrictions on how to make the payment. If you are a local jurisdiction, payment can come from general funds, tax increment or any other source of funds that the host jurisdiction thinks it can tap into in order to make the payment, so the Agency needs to come up with a strategy that makes sense from a financial as well as a political point of view. Making sense from a political point of view means that they need to employ the principle that all project areas and work programs need to share the pain equally or in some way on this. They have officially reached the point that the Agency is no longer able to make payments to the state without feeling some pain. They will have to postpone and forego projects, look at unencumbered monies, and turn over all the rocks in order to make these payments, the first of which is between $21 and $26 million and the ongoing payment will be between $4 and $6 million. The first installment will be due January 15 and the second payment will be due May 15. The Agency staff is working with the Comptroller's Office and with the Mayor's Budget staff to develop a payment strategy and have gotten strong support from members of the Board as well as the Mayor's office to continue operations. Evidence of that is that today they introduced the resolution expressing their intent to adopt the ordinance and the resolution was co-sponsored by 9 of the 11 supervisors, so people are paying attention and are supportive of the moves the Agency is making. The Agency's intent is to introduce the continuation ordinance on August 2, which is the last opportunity to do so before the Board goes on recess. That is the ideal introduction date because it would allow the Agency to introduce the ordinance and also allow the Board's 30-day clock to start ticking while they go on recess. The ideal scenario in terms of introduction is that the Agency would not only introduce the ordinance but also introduce a budget amendment that signals what the payment strategy is. That way, the Agency can be clear with the Board not only in terms of expressing intent, but also how they plan to make the first payment which is due on January 15. If the Agency is unable to meet that date, they may have to ask for relief from the 30-day time clock or rule and introduce after recess which would allow the Agency to still meet the timeframe but ideally they would introduce in August before the Board goes on recess because that would allow for the most deliberative process to go forward and give the Agency all the room necessary to go through the respective committees. Lastly, Mr. Blackwell mentioned that there will be lawsuits. Today the California Redevelopment Association (CRA) and the California League of Cities (CLC) filed their lawsuits with two plaintiffs—the city of Union City and the city of San Jose. The lawsuit basically contends that the elimination move that the state took was unconstitutional and that the so-called voluntary payment strategy is also unconstitutional because it violates Proposition 22. In that filing the plaintiffs have asked for a stay so that neither AB 26 nor 27 would go into effect while this issue is being considered by the courts. They have requested that a decision be made on the stay by mid-August and have requested that this particular case go directly to the California Supreme Court (CSC) and leapfrog the lower courts and have requested that the CSC make a decision on this issue before the end of the year. Mr. Blackwell stated that those are very ambitious goals on the part of the plaintiffs, both on the stay as well as getting to the CSC and getting a decision by the end of the year. If this case does not go directly to the CSC, it could take a significant amount of time for the judicial process to run its course. Mr. Blackwell stated that he will continue to provide updates and they are moving forward with the resolution and with the ordinance regardless of what decisions get made by the courts over the next few months. Obviously it would be great if a stay is granted, and it would be greater if a decision is granted before the end of the year, but nonetheless, they are marching forward under the terms that are currently in place.

up with the payment. Mr. Blackwell indicated that the process is complicated and he thought the amount will go down because he believed the CRA underestimated the Agency's debt payments and since the Agency has more debt, it means they will actually pay less.

- Commissioner Covington requested that the Commission Secretary mail out the formula that Mr. Blackwell just outlined because she wanted to look at that in order to understand it. Ms. Covington stated that she really wanted to avoid putting the commission in the position where they have to approve cuts, transfers, bonds, etc. of up to $26 million. She had not heard heretofore any possible assignment as to how these monies are going to be apportioned, where they are going to come from and she stated she was getting very nervous. Ms. Covington stated that she did not want to be confronted with a bunch of figures that had to be cut from various line items in the Agency's $211 million budget at the 11 ½ hour. Ms. Covington wanted to state that they would need a heads-up about it.
    - Mr. Blackwell promised that as soon as they figure out the strategy, the commission will be the first to know.

- Commissioner Covington responded that they should hurry it out and at least let her see some possible strategies. On an entirely different matter, Ms. Covington stated that she continues to get calls concerning Hunters View and the employment situation there. She knows that at the last meeting Mr. Blackwell had stated that there is 61.8% San Francisco workforce and 42% for Hunters View. Ms. Covington requested that Mr. Blackwell issue an informational memo that gives the breakdown of the jobs, the job titles and who has been hired there, because the calls she is getting are about the people at Hunters View not being hired even though the numbers say something different. Ms. Covington stated that she needed to have a drill-down on this one because it keeps resurfacing.
    - Mr. Blackwell responded that they will definitely do that but stated that just so the Commission knows, he has been to that site twice over the past month, the last time being last Friday, and has personally been spending time there eyeballing the workforce and having conversations with people working there. Mr. Blackwell indicated that in addition to the memo, he will also be able to personally report on what it looks like in addition to what the data says.

10. CLOSED SESSION: NONE

11. ADJOURNMENT:

It was moved by Commissioner Bustos, seconded by Commissioner Covington, and unanimously carried that the meeting be adjourned at 6:00 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

NOVEMBER 15, 2011

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 2ND DAY AUGUST OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 2nd day of August 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Francee Covington
Leroy King
Agnes Briones Ubalde

And the following were absent:

Miguel M. Bustos

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Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY: No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA:

ALL MATTERS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE REDEVELOPMENT AGENCY COMMISSION, AND WILL BE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A MEMBER OF THE COMMISSION OR THE PUBLIC SO REQUESTS, IN WHICH EVENT THE MATTER SHALL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED AS A SEPARATE ITEM:

(a) Approval of Minutes: Special Meeting of March 29, 2011

(b) Approval of Minutes: Regular Meeting of April 19, 2011

(c) Consenting to Olson Lee's participation, as Director of the Mayor's Office of Housing, in Agency-related matters in which he was previously involved. (Resolution No. 94-2011)

Commissioner Singh put forth a motion move Items 4(a) and (b).

President Swig stated that he would like to hear Item 4(c) separately and requested that Item 4(c) be pulled off the Consent Agenda.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER ANAYA, AND UNANIMOUSLY CARRIED, THAT APPROVAL OF MINUTES OF SPECIAL MEETING OF MARCH 29, 2011 AND APPROVAL OF MINUTES OF REGULAR MEETING OF APRIL 19, 2011, BE ADOPTED.

REGULAR AGENDA

(c) Consenting to Olson Lee's Participation, as Director of the Mayor's Office of Housing, in agency-related matters in which he was previously involved. (Resolution No. 94-2011)

Presenter: Jim Morales, Agency General Counsel

Speakers: Ace Washington

Commissioner Singh stated that the commission will miss Mr. Lee and that he should come and visit when he can. Mr. Singh motioned to move this item.

Commissioner Covington inquired through the Chair to Mr. Morales as to how long Mr. Lee will be with the Mayor's Office of Housing.

General Counsel Morales responded that it would be through the remainder of this year.

President Swig inquired as to whether that was the fiscal or calendar year.

General Counsel Morales responded that it was the calendar year.

Commissioner Covington inquired as to who would be filling in for Mr. Lee at the Agency during his absence.

General Counsel Morales responded that the Executive Director had appointed Sally Oerth to be the Deputy Executive Director for Housing.

Commissioner Covington inquired, as far as Mr. Morales was aware, whether Mr. Lee applied for this position on a permanent basis.

General Counsel Morales responded that that was not his understanding and that he did not believe that he applied for anything, not even the interim appointment, but rather that he was asked.

Commissioner Covington seconded the item.

Commissioner Anaya inquired as to whether there is a job description or certain job requirements for this position and whether they are getting the job requirements called for in the position.

Director Blackwell responded that the job description for Deputy Executive Director for Housing has not changed and that Sally Oerth has been with the Agency for a long time and has been second in command within that unit for the last few years. Mr. Blackwell stated that they were fortunate that someone like Sally is there to step into this position during this period.

Commissioner Anaya inquired as to what Mr. Blackwell believed the impact would be of this change right now to the Agency.

Mr. Blackwell responded that it was interesting that it was happening during the time that the Agency is actually suspended from engaging in new activities and stated that if there were such a thing as “good timing”, in terms of the things that are happening to the Agency as a result of issues at the state-level, this would be it.

President Swig wishes Mr. Lee every success in his temporary assignment and stated that the Agency expects him back on January 1 because it is expected that by that date, the other Agency business will be sorted out and all of the referenced projects that are currently under suspension will be back on full throttle and therefore, Mr. Lee’s assistance, support and guidance will be required on January 1st.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 94-2011, CONSENTING TO OLSON LEE'S PARTICIPATION, AS DIRECTOR OF THE MAYOR'S OFFICE OF HOUSING, IN AGENCY-RELATED MATTERS IN WHICH HE WAS PREVIOUSLY INVOLVED, BE ADOPTED.

Olsen Lee, Director of the Mayor's Office on Housing, expressed his thanks to the Agency for approving the waiver. Mr. Lee stated that, as Mr. Morales and Mr. Blackwell indicated, this is an interim appointment where he will be working on broad affordable housing policies, the work that the Agency has supported extremely well for many years and Mr. Lee stated that he will endeavor to take the things he has learned at the Agency and bring them back to the Mayor's Office. Mr. Lee recalled that he was at the Mayor's Office of Housing 15 years ago, where he left to come and work at the Agency. Mr. Lee thanked the commission for their kind words and said he will be back shortly.

(d) Presentation on Proposed 34th America's Cup by the Office of Economic & Workforce Development

Presenter: Mike Martin, Project Director, America's Cup Project in San Francisco

Speaker: Ace Washington

Commissioner Covington thanked Mr. Martin for his presentation and stated that she appreciated the level of detail that was given and expressed excitement for the entire commission and city about this event. Ms. Covington inquired as to what facilities of the Agency Mr. Martin envisioned being involved in this effort.

Mr. Martin responded that he did not envision any direct Agency facilities being involved. He stated that his understanding was that there is a marina at Pier 40 that neighbors the 30/32 open water area so there would be interest in berthing there, but that would be considered an indirect involvement there.

Commissioner Covington inquired as to his plans regarding workforce development and youth involvement.

Mr. Martin responded that workforce development is something they had been talking to their partners at the America's Cup Event Authority (ACEA) and the America's Cup Race Management for some time now. The challenge of the plan is that there are different sectors—a construction/infrastructure piece that has a certain path and a certain negotiation surrounding it, in terms of how much money will go into Pier 30/32 and what is actually going to be done there and he thought there was a good understanding of what the workforce provisions that apply to that kind of project are. The Host and Venue Agreement calls out some specific provisions related to the Administrative Code, local hire, etc. At the same time, they are working with the ACEA to understand what the profile will be of the events-related opportunities, such as the jobs ramping up to the 2012 events and then the ramping down, and then the ramping up and down for the 2013 events. Mr. Martin stated that what they want to do is to merge those into a workforce development plan so people can have an understanding of how these things will play out. He wanted to emphasize that the economic benefits of these events will not be limited to their partners but that much of this entails bringing people to San Francisco, not only spectators, but the racing teams themselves, all which are their own syndicate. Therefore, on the workforce piece and the small business piece, they not only want to have a plan for their partners at the ACEA but also figure out how to market themselves to the other opportunities, which is what they are working on with the Small Business Administration and with the Office of Workforce Development. They are trying to figure out what is coming and then figure out how they ramp up to do that. Similarly on youth involvement, at the city level, Mr. Martin indicated that they have been working with Recreation & Parks Department and the Department of Children, Youth and their Families to inventory the leverage opportunities that they have, such as existing programs to teach people to swim, the Regatta float to boat idea of how to use this to ramp up interest in the Bay, interest in water sports, interest in education around sailing, the environment, etc. Their ACEA partners have taken a leading role in working on developing curriculum for schools and developing opportunities for an America's Cup sailing academy, and they want to tie those things together. Mr. Martin added that they want to pull together the inventory he mentioned plus the initiatives that they have taken leadership on, so that people will say, this not only has the top line subject matter but also the depth into the resources they already have here and how they bring those to bear on the America's Cup.

Commissioner Covington stated that she was very pleased to hear about the various activities, especially regarding youth involvement. Ms. Covington encouraged Mr. Martin to come up with a plan of outreach for San Francisco youth, particularly in the southeastern sector of the city in terms of jobs, maybe for high school students or those attending colleges. During that period, a lot of the city's youth will be home from college for the summer. Ms. Covington expressed excitement about the fabulously rich curriculum, such as the physics of sailing for the schools, and she hoped that would come to fruition. As far as the sailing academy, Ms. Covington stated that there is a sailing program at the South Beach Harbor Yacht Club that came before the Agency three years ago and Ms. Covington asked how involved children of color were in that program and she was told that there would be special outreach. Ms. Covington expressed the need for the Agency to stay in touch with Mr. Martin and that he stay in touch with the Agency in terms of their sailing program, which is an ongoing program, because it would be wonderful to create sailors for life. Ms. Covington explained that sailing is a wonderful sport and many kids in the Boston area sail and Ms. Covington expressed interest in seeing that happen in San Francisco. Ms. Covington pointed out that the workforce development part of the program did not seem to be formed quite yet but explained that the Agency has an initiative to employ as many people as possible in as many jobs as possible, particularly those that lead to careers. Ms. Covington inquired if there was a point person in the Agency that Mr. Martin, or whoever is going be handling the workforce and youth involvement piece, was working with because this is a tremendous opportunity for the entire community, as well as all of the citizens of the city and county of San Francisco. Ms. Covington added that not everybody gets a chance to go to Newport so it would be nice to get people out and get them jobs, whether it be ticket-taking, or whatever. Ms. Covington asked who the liaison was for the Agency to the larger America's Cup body.

Mr. Martin responded that he was not aware of anyone involved from the Agency, but Rhonda Simmons from the San Francisco Workforce Development Agency and her staff have taken the lead on both the two pieces he described earlier--the construction piece and the events operational piece. The operational piece is the one that is more of a work in progress. He stated that they have a handle on the construction side but still need to understand how they apply that set of principles to the specific projects here. Mr. Martin explained that they still need to figure out what these jobs are going to look like and he believed he would have more to say about that in the coming month or so. Mr. Martin stated that Supervisor Avalos called for a hearing today on that point and they were happy to engage on that dialogue. On the construction side, part of it is figuring out the scope of what is going to happen and then translating that and on the events side, it will be more of an operational approach to find out what the skills are they will need and then figuring out how they get those people with those skills in front of the right people as well as figuring out when it will happen so people know that it is coming.

Commissioner Covington added that in identifying the skills that people need, she said she would go out on a limb and say as a commissioner that in some areas, once those skills are identified, they would be able to commit resources to get those people trained for those jobs that they know are going to be coming online. Ms. Covington stated that these discussions must be ongoing and continuous and it is very important that they maximize as much as possible these opportunities and not let things pass by. Ms. Covington acknowledged what Mr. Martin had said about the ferries being able to still run but inquired about whether private boats and yachts will still be allowed on the Bay or will the amphitheater be closed.

Mr. Martin responded that parts of the Bay will be closed. The Coast Guard will maintain a perimeter around the race area but outside of that there will be regulations that cover how people will move. There will be a notice to boaters for both people in the Bay Area and people coming to the Bay Area that will inform on how things will work, where boaters can pump out their vessel cleanly, etc., and all the things that boaters will need to know, which will be part of the water and air traffic plan that he described. Mr. Martin indicated that there will be a plan that lays out those instructions, but more broadly, they are trying to maximize the ability of people to watch the event from either on the water or on the land.

Commissioner Covington wanted to remind Mr. Martin that the Giants will be in the World Series at about the same time and she wanted to know what the contingency plan will be for how to handle all the millions of people that will be coming to San Francisco to see the Giants as well as the regattas.

Mr. Martin responded that that would be a happy outcome and certainly a challenging one. He stated that the good thing about the sailing events is that they are generally in the afternoon so to the extent the Giants are playing at night; there might be an ability to dance around some of the convergence there. Mr. Martin stated that in Boston, one of the biggest day to watch the Red Sox is when they play on Patriots Day because the Boston Marathon is going on at the same time and that is gridlock in chaos but at the same time, everyone wants to be there so they would try to manage things as best they could and make it a very special day.

Commissioner Covington inquired about the legacy portion or what will be left to San Francisco. Ms. Covington repeated that Mr. Martin had talked about the institutional memory that will be left but requested that he categorize at the end of the event how San Francisco will be improved.

Mr. Martin responded that to articulate that to people over the course of the coming months was exactly their challenge. He stated that a number of things have jumped out to him during this process about how positive a thing this is and much has to do with the transit piece and working with the regional transit operators to really leverage what is there. He mentioned how the clipper card could be someone's passport to all of the event locations so that if they are able to inform people before they come, they don't immediately rent a car at the airport but instead use other forms of transportation to get around. If they can effectively communicate that outwardly for the San Francisco tourism industry, it becomes that much more of a benefit that they can hand over to San Francisco travel or someone else to continue that. Similarly with the bikes, they are very excited about the bike lending library idea which has taken hold in other cities to give people who don't want to wait for the F line today but need to get to the northern part of the waterfront, the opportunity to try out the bike library. If that works out, there is another tourist attraction. The economic drivers of all this is about bringing people to San Francisco and giving them a good experience. Mr. Martin stated that their learning experience in this concentrated process are the legacies that they will have to demonstrate, not only going into the process but coming out as well, so they can look back and say, this is how it worked, this is what made sense and let's build off this for the next large event we are able to attract here to San Francisco.

Commissioner Covington inquired about physical facilities.

Mr. Martin responded that the primary infrastructure that will be built directly associated with the events has to do with Pier 27, the cruise terminal, and then Piers 30, 32 and other different rehab improvements along the port waterfront. Infrastructure-wise they are also seeing on the transportation side a rollout of the E-line, the Embarcadero street car line that will go down to Caltrain and up to Fisherman's Wharf, which they are very excited about. In addition to that, Mr. Martin stated that they are looking at different opportunities to do things like improve the Bay Trail along the northern waterfront and enhance pedestrian transit and bike safety improvements around Fisherman's Wharf in the Jefferson

Street area. That has been a project that has been studied already and they are seeing what elements they can bring forward on their compressed timeline. Aside from the major infrastructure pieces, there will be smaller improvements and tweaks that will be used to help put on the events in an operational manner.

Commissioner Ubalde thanked Mr. Martin for his very informative presentation and echoed Commissioner Covington commendations on educating the commission on the specifics of the plan. Ms. Ubalde requested clarification on what role the Agency will play in terms of helping to provide input and policy recommendations to this plan and to the Office of Economic Development and the America's Cup coordination committee as they move forward with the implementation. Ms. Ubalde inquired as to how they can add value to the discussion because it seems the city has facilities that might have touchpoints around this as well as some of the programs and projects.

Mr. Martin responded that opening this line of communication is extremely helpful for him and the team because they are very excited to get input from people who have expertise in specific areas. Under this compressed timeline, he stated that they cannot be coming up with brand new ideas about things, so it would be extremely helpful if there are facilities and programs such as the linkages to employment that they can build off of. Mr. Martin stated that their goal is to be able to say that they had this engagement and that they took into the account the best thinking possible around the city to create their plans. He added that they do not have a corner on the market on the thinking around this and was happy to start the conversation here and come back as the plans will be coming forward in the fall. Mr. Martin thought there will be flurry of information that they can use. They are very open to the Agency's interest and involvement with everything.

Commissioner Ubalde inquired about whether Mr. Martin was aware of any other transit congestion impacts to the surrounding areas during the day, especially in the afternoons particularly around parking in the financial district because that would be a concern to the retail commercial corridor as well as to the people that live in that area.

Mr. Martin responded that a majority of the 45 meetings have been with groups along the waterfront to hear their specific concerns and quite frankly, their advice on such things as what happens after July 4 when everybody tries to leave at the same time or during Fleet Week when you have so many people cramming the Marina area. They will be conducting a sequel analysis of what they expect the transportation challenges to be and they are using the people plan to be their affirmative strategy for how to address those in a way that improves the event. Mr. Martin stated that it comes back to the America's Cup to getting people out of an automobile or getting them to satellite parking near transit hubs so they can be further away from the immediate frontage of the events but still get to where they need to go in a convenient manner. Much of that will come down to communications by the America's Cup, getting the people the information about what is out there. They are also studying auto restrictions along the waterfront and the northbound lanes of the Embarcardero and studying those as a full closure so they can find a graded adaptive management strategy. Mr. Martin added that what they would like to do is have as light a touch as possible, perhaps that might be just beefed up parking enforcement in the areas, so that people are not double parking or parking on the sidewalk, but so people can still drive in and get around. What works and what doesn't work is something they will have to learn on the fly but they will have the tools through MTA and through their partners at the parks to hopefully manage the crowds and improve over the course of 2012 and 2013.

Commissioner Ubalde inquired about the environmental impacts or even just to Pier 27. Mr. Martin had referenced that much of the area would be used as the village center for the event and Ms. Ubalde stated that along that pier there are a few retail establishments, as well as a soccer field that has a soccer tot program there. Ms. Ubalde inquired as to what some of the displacement possibilities were of programming for both the retail and commercial efforts around that waterfront area.

Mr. Martin responded that Commissioner Ubalde was correct in that there will be some displacement. They are in a position under the laws surrounding CEQA that they cannot of their own volition take affirmative steps to move people around unless they come to them and ask for their help. Many of the tenants have done that because the port has taken a lead to try to inform them as far as what is coming, helping them identify other port space or other opportunities so that there is not too much of a dislocation from their business. For Mr. Martin and for the OEWD, it comes down to bringing this event here in part for the economic benefits. He stated that they do not want to come out of the gate starting out at a minus because they have hurt businesses from just putting together the event. So they are taking it very seriously and moving as quickly as possible within the bounds of the CEQA analysis described earlier. Mr. Martin stated that they have been engaged with the soccer folks, and with Teatro Tinzani as well, which is right there. Unfortunately, the attraction of that location is the attraction for the America's Cup as well. They are trying to find appropriate locations for all the businesses as quickly as possible, not only to help them but to help the transition when the America's Cup people arrive.

Commissioner Ubalde inquired about the small business perspective and stated that she knew they had a small business strategy within the workforce development and the youth development portion of their strategy. Ms. Ubalde encouraged Mr. Martin to develop some kind of a portion there to ensure that they do have the local small businesses there that could be engaged in any kind of concession or business opportunity. She suggested that they really look locally first and try to focus on ensuring that locally serving small businesses have the first right to bid on whatever potential opportunities there are for jobs as well as providing services and products.

Mr. Martin responded that he thought it would be a bit splintered, that it is not all going to come from one place and so they are looking at a two-way strategy not only in identifying where the opportunities are coming from but trying to help San

Francisco small businesses be ready to market themselves when those opportunities become available.

Commissioner Anaya thanked Mr. Martin for his presentation as well as sending them the information ahead of time. Through the Chair, Ms. Anaya wanted to ask Mr. Martin to submit to the commission the list that they are using for outreach to the different communities, so the Agency can provide some feedback and input. Ms. Anaya also suggested that not only do they talk about the neighborhood but the merchant associations and certainly the small businesses also. Ms. Anaya inquired whether the commission could get the list and how soon could they get it so they can continue the dialogue and the recommendations for additional contacts, etc.

Mr. Martin responded that he would be happy to share that with the commission and would like to make sure they have it updated. He indicated that it's been a busy couple of weeks and they have been in numerous meetings and they are looking for that kind of feedback to make sure they don't have any holes in the people they are talking to.

Commissioner Anaya inquired through the Chair if the commission could get constant information about displacements because it is something that they are very concerned about and the Agency will most likely be hearing from those people that have been displaced. Ms. Anaya indicated that in the documents sent to the commission, Piers 19, 5, 26 & 28 are marked and identified for parking. Ms. Anaya inquired about whether that as the only parking besides private parking that they will have.

Mr. Martin responded no, that parking would only be for ancillary use in those locations and that they are really going to be used for office space. One location that is slated for event parking is C Wall Lot 330, which is the lot right across the street from Piers 30/22 where the Watermark Building is. Aside from that they will be looking at existing parking assets on port property in the general vicinity for event-related cars and then also trying to manage all of that parking availability efficiently so that if people wind up down there they have a place to park their car instead of idling and circling and the city's current park initiative helps with that. Mr. Martin stated that they are seeing what kind of advances they can make out of that which would help people with those issues. Mr. Martin stated that the goal is to try to encourage people to not park as much as possible.

Commissioner Singh inquired about the outreach. Mr. Singh repeated that Mr. Martin had stated that they were going to have 40 meetings with the neighborhood and associations and Mr. Singh asked if they had ever reached the San Francisco Consult of Merchants Association in the city which is the umbrella association for over 23/24 neighborhood associations and they represent the whole city.

Mr. Martin responded that they had not met with that group specifically. They had been working with the Small Business Commission and the Small Business Administration for that type of outreach.

Commissioner Singh stated that the name of the director of the Small Business Commission is Regina Dick-Endrizzi. Mr. Singh inquired as to how many people they expected will be coming to the city for this event.

Mr. Martin responded that they had done a fairly detailed spectator analysis for the EIR and what they are looking at on a peak day is 330,000 spectators. The EIR also states that on a super peak weekend day for a high profile event, the numbers might even go higher than that. Mr. Martin stated that they are in uncharted territory for this type of event because generally it is out at sea and the most that have ever watched on a single day is 60,000 people but they are anticipating a massive increase just because of where and when it is located and how it will be put on.

Commissioner Singh inquired about how the host committees will be selected, if not already done.

Mr. Martin responded that the America's Cup organizing committee, which has a committee roster but also an honorary committee, is doing much of the organizational outreach.

President Swig stated that full disclosure is full disclosure and then divulged the fact to his fellow commissioners that he has been given the opportunity of sitting on the America's Cup organizing committee. Mr. Swig stated that he wanted to discuss first the issue of jobs and outreach to especially the southeastern sector of the community and stated that former supervisor Sophie Maxwell also sits on the organizing committee and she has been a strong proponent and reminder of that as well. Mr. Swig wanted his fellow commissioners to know that that was a focus of the organizing committee. Mr. Swig indicated that it had been discussed that some of the fundraising activities should be targeted to the support of youth jobs, training and embracing those sectors of the community which are less served and less fortunate. Mr. Swig wanted the commission to be assured that there is that focus and to Mr. Washington, with significant focus on the African-American community. Mr. Swig inquired as to whether Mr. Martin had a number or a range for incremental employment directly related to the America's Cup in San Francisco as far as numbers of people to be employed.

Mr. Martin responded that there are numbers out there but he would not feel comfortable about stating them right now because he felt they were based on a broad estimate at the beginning of the process and now they are in the process of refining those numbers. The broad economic analysis that was done in the fall of 2010 claimed that 8800 total jobs could be created but he did not think it was a realistic number at this point.

President Swig stated that it would be important to the commission, especially to Commissioners Anaya and Covington, who have a passion for job creation and development, to know that. Mr. Swig requested that Mr. Martin update them as to when those numbers are being anticipated. Mr. Swig stated that the benefit of sitting in a few committee meetings and hearing things is that one hears things but mostly unofficial and conversational, so for the record he wanted it to be accepted as conversational and not official, the trickle-down effect is that there will be people needed directly for America's Cup activities for everything you can imagine, but the impact on employment and related yet not especially created sectors are going to be incredible. Mr. Swig asked the commission and the audience to imagine the number of jobs being brought into the tourism sector with regard to hotels, restaurants, the truckers who bring the food to the hotels, the transportation sector, etc. Mr. Swig stated that all in all it will be a fantastic windfall for the city and for such an extended period of time because it is really starting right now through 2013. Mr. Swig stated that an event of this magnitude does not happen overnight and a lot of concentrated effort is being done right now to create those jobs. Mr. Swig requested that Mr. Martin continue to advise the commission on those areas. Mr. Swig stated that they are also interested in the impact on redevelopment agency directly related situations. The Agency has a piece of property which is on the pier and Mr. Swig has sat in committee meetings and heard some representatives from state and federal parks, etc. communicating significant concerns about the impact of what could be 300,000 people coming in one day to the waterfront and watching the races. Their concern is that people create wear and tear. The GGNRA is concerned about Crissy Fields, State Parks is concerned about Angel Island, and there is concern about the bay and Fort Mason. There is a little park on that site with a building and they have a significant waterfront with boats. Mr. Swig inquired about the protection that this piece of land and the Agency's assets are going to get as far as the impact of so many people suddenly inhabiting that space. Mr. Swig inquired about what the responsibility is of the event committee or the organizing committee or the city to the Agency as the landowner of that site on the pier.

Mr. Martin responded that their responsibility is the same as with those agencies or other landowners. It is about preparing an appropriate plan for managing the crowds in all forms—public safety, fire and EMS, portapotties, and fencing to keep people off decrepit piers and away from habitat areas. They are engaging it as a comprehensive environmental review process on the CEQA level, a federal NIPA process that will allow them to tie in the Parks Service on federal lands, and also the Parks Event Management Plan, which is a compendium of strategies which does not just revolve around parks but focuses on how to manage public access areas along the full span of the waterfront. Mr. Martin indicated that integrating those planning pieces together is how they prepare the strategy and then work with landowners like the Agency to understand if there are considerations that they need to add or take away to make that plan work correctly.

President Swig stated that there was leadership that day in the room for the benefit of the listening radio audience with regard to the supervision of that land, building and boat marina and inquired of Mr. Martin as to what his suggestion would be to them with regard to proactively interacting with the event committee or whatever agency to ensure that they are going to be fully covered and indemnified or protected from this massive event.

Mr. Martin responded that as it relates to the planning process they should contact him and he will be able to direct them to the right coordination conversation as they did for a number of different stakeholders along the waterfront. To the extent that there are other considerations to be discussed, he stated that that would be a good starting point.

President Swig reiterated that this was just an informational briefing about this event and that the commission really appreciates that Mr. Martin came by to give the short presentation on what is probably a 10-year education that is being put together in two years to initiate what is going to be an amazing activity which everybody expects will be tremendously beneficial to the city. Mr. Swig stated that he appreciated Mr. Martin's hard work as well as keeping the commission in the loop so they can stay informed and aware of how the America's Cup process will move forward.

5. MATTERS NOT APPEARING ON AGENDA: None

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.

Speakers: Erin Carson, Olsen Lee, Tessie Ester, Lee Otis Martin, Mavis Williams, Genese Hughes

7. REPORT OF THE PRESIDENT

President Swig stated that he would leave all the update comments regarding moving redevelopment forward to Director Blackwell. Mr. Swig stated that he was very happy that Erin Carson brought her girls today and that they should be very proud of their mom. Mr. Swig thanked Ms. Carson for all her contributions, for enriching the lives of countless people who may not have a chance at a better life as well as San Francisco residents. Mr. Swig stated that Ms. Carson had served today as a poster child for those who work for the Agency, who work long hours, are very dedicated, and have significant challenges perhaps not found in other markets where they have less barriers in achieving their goals. In recognition of her departure, Ms. Carson had also recognized the hard work of her fellow Agency staff, which Mr. Swig thought was very commendable. On behalf of the Agency, Mr. Swig wished Ms. Carson lots of luck in the future.

8. REPORT OF THE EXECUTIVE DIRECTOR

Mr. Blackwell stated that he had given a comprehensive report at the last meeting with regard to what is happening locally in response to the budget issues with the state. The resolution expressing the intent by the Board to adopt a continuation ordinance was approved today so they have until November 1 instead of October 1 for the continuation ordinance to be signed by the Mayor. Mr. Blackwell stated that they continue to receive excellent feedback from the Board of Supervisors and the Mayor's Office about continuing to move forward. He said he was not overstating to say that the political will is definitely there. Mr. Blackwell indicated that it was good to get this resolution passed today because finding the $24.5 million dollars which is the official number now from the Department of Finance is proving to be difficult. The good news is that the Agency does have the money on hand; the bad news is that it is money that is dedicated to specific projects and will not necessarily be easy to access because much of it sits in the Housing Fund. Mr. Blackwell indicated that they will need more time to figure out what the payment strategy is. At a staff meeting yesterday, Mr. Blackwell told staff that they were going to find the money, and that it was a matter of finding ways to access it and figure out a payment strategy that both works from a technical/financial point of view and from a political point of view. The payment number of $24.5 million came out yesterday for this fiscal year and the Agency has 14 days to appeal that number if the Agency believes it to be lower. The initial assessment is that it should be lower but they need to go into detail to explain why, but as of today Mr. Blackwell considered filing an appeal with the state to lower that number. Since the last meeting, the lawsuit by the CRA and League of Cities has been filed and the cities of Union City and San Jose have been added as plaintiffs. As anticipated, when the lawsuit was filed, it was requested that the case go directly to the California Supreme Court (CSC) because of the urgency of the matter. The League and CRA also requested a stay and requested a decision about the stay by mid-August and a decision on the merits by the end of December which would be before the first payment is due in mid-January 2012. In reaction to the lawsuit, the state was given the opportunity to rebut and their response was that they also felt it was crucial for the case to go directly to the CSC. Mr. Blackwell indicated that the state obviously was opposing the stay and did not think the case is meritorious but thought it was important for a quick resolution. With regard to the continuation ordinance, they anticipate introducing that ordinance when the Board comes back from recess. Agency staff is working with both the Mayor's Office and Supervisor Cohen's office. Both of them are requesting that when the ordinance gets introduced, that it gets relief from the 30-day rule so that it can move swiftly through the legislative process once it gets to the Board, which will mean that eventually this ordinance will be looked at. But in addition to that, a budget amendment for the Agency will also be considered once they come up with a concrete payment strategy. Mr. Blackwell finished up by saying that during the month of August while the Board is on recess, they anticipate working with the Mayor's Office on what the payment strategy will be.

9. COMMISSIONERS' QUESTIONS AND MATTERS

Commissioner Covington stated that she, along with Commissioners Singh, King, and Director Blackwell attended the grand re-opening of King Garvey last week and that it is a magnificent facility. She stated that the community center and the children's room, all of the refurbished and updated housing units looked fabulous. She indicated that everyone was very pleased and very happy with the way things turned out and believed that their $5 million investment was well worth it. She thanked everyone for coming and stated that it was also Olsen Lee's maiden voyage as spokesperson and representative for the Mayor and he did a great job. Ms. Covington thanked Erin Carson for her decade worth of service and told her daughters that they are very fortunate to have such a devoted, committed, brilliant and caring mom and wished them the best. Ms. Covington inquired about the situation with the jobs at the center that Tessie Ester, Lee Otis Martin, Ms. Mavis and Ms. Hughes were talking about. She stated that those people were here this evening because of the continuing frustration on their part to see some progress. Ms. Covington stated that she had asked for a breakdown of the jobs that people within the development have received and what those jobs are because she keeps hearing from these people who are citizens and residents there every day and all day that things are not going well, that Urban Strategies is hiring from outside and that they are not hiring the residents. Ms. Covington repeated that she really needed to see that breakdown and hoped to have it from Director Blackwell by the end of the week so that she can share it with the people who continue to call about these matters. Ms. Covington stated that she has explained to people that there are some things that the Housing Authority is responsible for, and some things that the Agency does do not fall under the administrative umbrella which is important to understand, but to the extent that the Agency can have a better outcome, Ms. Covington felt that they should seek that.

President Swig thanked the commissioners for representing the Agency at the King Garvey opening. Mr. Swig repeated that the Agency is in this hiatus period during which the Agency cannot do many things because they do not have the permission to move forward or put together the infrastructure financially or otherwise to move forward. Mr. Swig inquired as to whether Director Blackwell had some vision of what the Agency should expect to achieve between now and January 1st when hopefully the Agency will be a revitalized, re-recognized Agency.

Director Blackwell responded that hopefully that will happen before January 1st. The suspension in terms of the Agency being able to enter into new agreements gets lifted when the ordinance is adopted and signed and that has to happen before November 1. So it should happen on November 1st, and if the suspension is lifted before that date, then it will be earlier. The other factor is that if there is a stay granted by the judge in the court case that speaks to this issue of agencies being suspended, then the Agency would be able to resume activities earlier than November. Mr. Blackwell went on to clarify that the things that the Agency is prohibited from doing are: entering into any new agreements, amending any plans or agreements that are in place, entering into any new loans, acquiring any new property or any other activity that is not related to implementing and enforcing contractual obligations. The Agency is in the process of putting together a list of those enforceable obligations so the commissioners will be able to see exactly what they can do during this period. Mr. Blackwell added that during this period, the Agency does have the ability to develop and issue RFP's, do the preparation work that would allow the Agency to hit the ground running when the suspension is lifted which are all types of projects that staff is engaged in right now in addition to developing and working on the list of enforceable obligations. While the scope of work will be diminished, there is still a lot of work to be done on the staff side, even though they will not be able to seek commission approval for lots of things especially in regard to taking on new obligations. Mr. Blackwell stated that the Agency is expressly prohibited from doing any work related to adopting new plans or amending redevelopment plans, which means that Area C in Bayview Hunters Point and the mid-Market work as well are on hold.

President Swig thanked Director Blackwell for being so clear about that. Mr. Swig stated that he wanted the listening audience to know and for the record that although the Agency would like to move aggressively forward on those projects that they are passionate about on the southeastern sector of the city and Mission Bay, the Agency is handcuffed right now. Mr. Swig appealed to the public and asked for their understanding to have patience and continue to show the Board and their local and regional representation that they are still in support of the continuation of redevelopment. Mr. Swig stated that he will not be available for the next meeting but wanted to find out which commissioners would be available to know whether they have a quorum or not. Mr. Swig asked the Agency Secretary if she had taken a poll on Commissioner vacations.

The Commission Secretary stated that that had not been done.

President Swig asked all the commissioners if they will be available for the next meeting.

Mr. Blackwell stated that what was important about the next meeting is that they will need the approval on the list of enforceable obligations which is due August 29th and which, if they do not have, they will be in violation of the new state law. Mr. Blackwell stated that they could hold a special meeting if there is a problem with August 16th.

Mr. Swig asked each Commissioner if they would be available to meet in two weeks.

Commissioner Covington stated that her schedule is in flux and would try to be available.

Mr. Swig repeated that he would not be available and that in his absence, Vice President Singh will take over for that meeting.

10. CLOSED SESSION: Pursuant to Section 54957 of the California Government Code, a public employee performance evaluation for the position of Executive Director.

President Swig asked that anyone not involved in the closed session to please leave the room and they will continue into closed session and close the open session.

11. ADJOURNMENT:

It was moved by Commissioner Singh, seconded by Commissioner King, and unanimously carried that the meeting be adjourned at 6:00p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

NOVEMBER 15, 2011

MINUTES OF A SPECIAL MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 26th DAY AUGUST OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 1 South Van Ness, 5^{th} Floor, Room 5080 in the City of San Francisco, California, at 3:00 p.m. on the 26^{th} day of August 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 3:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Miguel M. Bustos
Francee Covington
Leroy King
Agnes Briones Ubalde

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Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY: No Reportable Actions.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

(a) Adopting an Enforceable Obligation Payment Schedule pursuant to Community Redevelopment Law Section 34169(g), as required by AB 26. (Resolution No. 95-2011)

Presenters: Fred Blackwell, Amy Neches

Speakers: Ace Washington, Majeid Crawford

Commissioner Ubalde asked Ms. Neches for a subtotal for each section of the obligations.

Ms. Neches responded with a breakdown of the enforceable obligations that are coming up for payment: Housing obligations: September/$7 million, October/$7 million, November/ $9 million, and December/$17 million. Non housing payments: September/$7.7 million, October/$8 million, November/$6 million, and December/$5 million. Ms. Neches noted that they tend to overestimate rather than underestimate the payments because there is uncertainty as to what the actual amount will be but confirmed that they will only make payments of the actual amount invoiced.

Commissioner Ubalde also asked Ms. Neches to share the process that was carried out with staff and the community and what kind of preparation was done in gathering this list.

Ms. Neches responded that putting this together was a highly technical process. She reiterated that every enforceable obligation as defined under AB 26 had to be included on the list. Ms. Neches added that under the general suspension that the Agency is under, they cannot enter into any new contracts or continue with existing contracts, except those that are required as an enforceable obligation. The process was highly technical in that they took the language described as to what was an enforceable obligation, what must go into the payment schedule, put together spreadsheet templates which were distributed to all staff with detailed instructions of what kind of obligations they needed to include, and then staff started submitting the contract amounts for all the work being done. Ms. Neches stated that they went through many rounds of review and revisions to make sure they had included everything.

President Swig asked Ms. Neches for a definition of an enforceable obligation.

Ms. Neches responded that an enforceable obligation is an existing contractual legally-binding agreement between the Agency and a third party which may take the form of a construction contract, a personal services contract, a labor agreement, and/or certain other types of work orders that are pre-existing agreements, of which bonds are the Agency's clearest obligations. They listed them with the names and then projected, based on the budget of those approved agreements and contracts, what they expected the payments would be. Project managers were responsible for the contracts within their projects, housing staff for housing, finance staff was responsible for rent, payroll, etc. and then they did rounds of review. Ms. Neches added that this information is not really available to the public because this is not a discretionary matter. She explained that it is not under the discretion of staff or the Commission whether something should be included on the list but rather that it was a factual matter and if the item met the definition of enforceable obligation as stated in AB26, it had to be included on the list. Ms. Neches admitted that there may be mistakes on the list but that they had tried to be as complete and as accurate as they could be and they were open to corrections.

Commissioner Anaya stated that what she heard was that every enforceable obligation had to be included on this list.

Ms. Neches clarified that this was an enforceable obligation payments list, which meant that everything on the list was an enforceable obligation that had a payment obligation either now or in the future. She added that certain types of enforceable obligations, such as exclusive negotiations, are considered legally enforceable obligations but were not listed because they are not payment obligations. Ms. Neches indicated that any money going from the Agency to any other party at any time is listed on the schedule.

Commissioner Anaya inquired as to what would happen if there were errors on the list and whether the list is amendable.

Ms. Neches responded that she expects that they would return to the Commission periodically over the next few months to amend the list, to add anything missed or to adjust amounts, if necessary.

Commissioner Anaya asked her to describe the process to amend the list.

Ms. Neches responded that to change anything on the list, they would schedule it as an agenda item for the next meeting and submit the item to the Commission as a resolution to be adopted to amend any changes to the enforceable obligation list.

Commissioner Anaya put forth a motion to move this item, praised Ms. Neches and staff for putting such a complex list together in a short period of time.

Commissioner Covington seconded Ms. Anaya's motion. Ms. Covington then inquired about Exhibit A1 and where the landscaping and caretaking of all of the parks that they have would be.

Ms. Neches responded that landscaping would be listed under the specific contract for each project. She added that the list was organized alphabetically by project name.

Commissioner Covington inquired as to how she could get the number for all parks.

Ms. Neches responded that they would have to add up the different items.

Commissioner Covington inquired whether Commission meetings were reflected on the list and where they could be found.

Ms. Neches pointed out that meetings would be included under Commission expenses and pointed out where they could be found.

Commissioner Covington asked for clarification if the total amount of enforceable obligations was $64 million.

Ms. Neches responded that the maximum amount was approximately $68 million of scheduled payments over the next few months.

Commissioner Covington inquired about Exhibit A1, Line item 41, regarding payments to the city attorney and inquired as to whether this was a retainer and inquired as to whether they are charged more if there is a case going on.

Ms. Neches responded that they have an open letter of understanding with the city attorney, whereby if the city attorney's office provides legal services to them, the Agency pays them at an hourly rate. She added that the Agency only pays them if their help is requested. She explained that the amount on the list is the highest that they estimated it could be and that is what they used on the list. Ms. Neches indicated that they do regularly use the city attorney, especially on these types of matters and only pay them for actual hours worked.

Commissioner Covington inquired about any outstanding contracts that may be coming up for renewal; for instance, a company is coming to the end of a three-year contract. Ms Covington inquired as to whether they were allowed to renew the contract or would they just forego their services.

Ms. Neches responded that in that instance, they would have to review it on a case-by-case basis. She reiterated that the general rule is that the Agency cannot enter into any new contracts except if there is another obligation that would require the Agency to enter into a new contract. A hypothetical example would be if their owner participation agreement with Mission Bay requires them to have landscaping sources, they could point to that agreement which is clearly an enforceable obligation that would require them to enter into a new landscaping contract. However, Ms. Neches clarified, if there is not another contract, they cannot enter into any new contracts.

Commissioner Covington inquired as to whether they have identified which contracts might fall under those circumstances.

Ms. Neches stated that they have started that process and was hopeful to have that done either in late September or October. She stated they have been working rapidly on putting together the schedule and up to now, most effort has gone into finishing the payment schedule.

Commissioner Covington asked Director Blackwell what happens with attrition, when people go on vacation and don't come back. She inquired as to whether in those cases they would still be allowed to hire people and actively recruit.

Director Blackwell responded that they are not allowed to increase the number of people on staff but they can replace people who leave. He indicated there are two caveats: 1) that this is not the kind of environment in which they would want to recruit new staff because the type of people that would be qualified for their positions would probably not be interested in coming in at this time. 2) That until they have gathered up all the money they will need in order to make the payment that they might have to make, they need to hold expenses down as much as possible. Director Blackwell summarized that legally they can't hire and practically they wouldn't hire.

Commissioner Covington inquired about a breakdown of where the funds would come from for the Agency to be able to make the payment.

Director Blackwell responded that this depends on whether or not the Agency introduces the continuation ordinance and the budget amendment during this period. He clarified that what AB 27 says is that in order to be exempt from elimination, the post jurisdiction, or in this case, the Board of Supervisors, has to adopt a continuation ordinance that says that they intend to make the payment. If the Agency is going to be providing the funds to make the payment, they would have to do a budget amendment to show the Board how that payment would be made. With the stay that was recently issued, the court stated that AB 27 will not go into effect during this period, so the law of AB 27 allowing jurisdictions to adopt continuation ordinances is no longer around. As a result, many jurisdictions are not adopting continuation ordinances because the law that required it is no longer in effect. The Agency could however adopt a continuation ordinance that had a number of conditions in it that are associated with the court's decisions and they are currently having conversations with the Mayor and with the Board about their interest in passing such an ordinance. Director Blackwell stated that if that is the case, they would come back to the Commission with a budget amendment.

Director Blackwell added that the payment strategy will depend greatly on what strategies they have at their disposal. When the bills were initially signed, one of the options they had in front of them was to use their existing bond authority, which was $84 million, to adjust the bond authority on the user's side to make the payment with bond proceeds. He stated that in order to issue bonds, you have to get validating opinions from bond counsel. Their own bond counsel and every other bond counsel has stated that while this case is pending, they will not be issuing validating opinions that had so many conditions because the bonds would not be saleable and nobody would want to purchase those bonds. Director Blackwell added that once the case runs its course, the bond counsels may change their positions and they may be able to use the existing bond authority to make the payment. But before that time, any required payment will have to be made with cash on hand.

Commissioner Singh inquired as to what happens once the Supreme Court does rule.

Ms. Neches responded that the court could decide in a number of ways. They could decide that both AB 26 (for dissolution) and AB 27 (for continuation) are not valid constitutionally and the Agency would be back in business as if none of this had happened. But, Ms. Neches speculated, that if that happens, they were sure that the Governor and legislature would come back next spring to look for new strategies to continue with this effort. Second, the court could decide that both bills are valid. In that case, the Agency would be ready and proceed immediately to adopt an ordinance with a budget amendment and make the payment as scheduled. The third option is that they could decide that AB 26 is valid and decide that AB 27 is invalid. Ms. Neches indicated that this would be the worst outcome for the Agency because they would be eliminated without any process and the only way for the Agency to get back into business would be to adopt all new legislation to bring back redevelopment. Ms. Neches stated that of course the Court has the right to invalidate some portions of the law and not others and they can do whatever they want. The Court has set up a schedule for submission of briefs from both sides and for oral argument in October and it looks like they are taking this issue very seriously. Ms. Neches indicated that it's a good sign that they are moving quickly on this.

Commissioner Singh inquired as to whether they would get the ransom money back.

Ms. Neches responded that they haven't yet paid the ransom and stated that she was not sure if they get to keep it or whether they will have to spend it.

Commissioner Bustos thanked the staff for all the hard work involved in putting this schedule together. He stated that it was sad that they had to vote like this and go through this process.

President Swig stated that all they can do is submit their best guesstimate with solid due diligence effort. Mr. Swig inquired as to who this goes to and what happens if something was missed or if there are inaccuracies.

Ms. Neches responded that it goes to the City Controller, the State Department of Finance and the State Controller's Office.

President Swig inquired as to what happens if they find errors and whether they are allowed to correct them or will they be considered in default.

Ms. Neches responded that the Department of Finance has the right to review and there is a process by which they will be able to post changes. She indicated that it would be surprising if the recipients had a problem with this list, other than perhaps some random questions about a couple of things. Ms. Neches stated that as long as the list looks complete and that the Agency had taken this seriously, she did not think the Department of Finance would go to a great level of detail on this. They have truly been as diligent as they can and they will take advantage of that clause and they believe that this is accurate today.

President Swig just wanted to clarify as to whether there are any new items on the list or whether these are all items that have all come before the Commission previously, have been approved by the Commission, and have all had some level of public scrutiny.

Ms. Neches confirmed that this was so.

ADOPTION: IT WAS MOVED BY COMMISSIONER ANAYA, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 95-2011, ADOPTING AN ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO COMMUNITY REDEVELOPMENT LAW SECTION 34169(G), AS REQUIRED BY AB 26, BE ADOPTED.

5. MATTERS NOT APPEARING ON AGENDA: None

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.

Speakers: Majeid Crawford, Ace Washington

7. REPORT OF THE PRESIDENT:

With regard to any request from the public and/or anything that appears on the website, Mr. Swig wanted to clarify that the point person for any inquiries is the Executive Director. Mr. Swig added that, as everyone knows, the Agency has been holding its regular meetings on the first and third Tuesday of the month and the purpose of special meetings is to deal with special issues. Mr. Swig then pointed out that there is every probability that they will cancel the first Tuesday meeting in September, October & November; however, the meetings held on the third Tuesday of every month will continue. Exception being in December when there will be a meeting on the first Tuesday and no meetings will be held during the Holiday's.

8. REPORT OF THE EXECUTIVE DIRECTOR:

The Executive Director reported that he had nothing to report.

9. COMMISSIONERS' QUESTIONS AND MATTERS: None

10. CLOSED SESSION: None

11. ADJOURNMENT:

It was moved by Commissioner King, seconded by Commissioner Covington, and unanimously carried that the meeting be adjourned at 4:01 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

NOVEMBER 15, 2011

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 20th DAY SEPTEMBER OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 263, in the City of San Francisco, California, at 4:00 p.m. on the 20th day of September 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Miguel M. Bustos
Francee Covington
Leroy King

And the following were absent:

Agnes Briones Ubalde

Fred Blackwell, Executive Director, and staff members were also present.

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2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY: No Reportable Actions.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA:

ALL MATTERS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE REDEVELOPMENT AGENCY COMMISSION, AND WILL BE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A MEMBER OF THE COMMISSION OR THE PUBLIC SO REQUESTS, IN WHICH EVENT THE MATTER SHALL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED AS A SEPARATE ITEM:

(a) Approval of Minutes: Regular Meeting of June 21, 2011

(b) Approval of Minutes: Regular Meeting of July 5, 2011

(c) Authorizing a Second Amendment to the Legal Services Contract with Jones Hall, a Professional Law Corporation, to increase the contract amount by $150,000, for a total aggregate amount not to exceed $200,000, for specialized legal services in connection with the Financing Plan for the Candlestick Point- Hunters Point Shipyard Phase 2 Disposition and Development Agreement and other matters as determined by the Agency General Counsel; Hunters Point Shipyard and Bayview Hunters Point Redevelopment Project Areas. (Resolution No. 96-2011)

Speakers: None.

Commissioner Singh motioned to move this item.

Commissioner Anaya seconded the item.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER ANAYA, AND UNANIMOUSLY CARRIED, THAT THE MINUTES OF THE REGULAR MEETING OF JUNE 21, 2011; AND THAT THE MINUTES OF THE REGULAR MEETING OF JULY 5, 2011; AND THAT RESOLUTION NO 96-2011, AUTHORIZING A SECOND AMENDMENT TO THE LEGAL SERVICES CONTRACT WITH JONES HALL, A PROFESSIONAL LAW CORPORATION, TO INCREASE THE CONTRACT AMOUNT BY $150,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $200,000, FOR SPECIALIZED LEGAL SERVICES IN CONNECTION WITH THE FINANCING PLAN FOR THE CANDLESTICK POINT- HUNTERS POINT SHIPYARD PHASE 2 DISPOSITION AND DEVELOPMENT AGREEMENT AND OTHER MATTERS AS DETERMINED BY THE AGENCY GENERAL COUNSEL; HUNTERS POINT SHIPYARD AND BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

REGULAR AGENDA

(d) Conditionally approving a Major Phase application for the new Salesforce.com corporate headquarters in Mission Bay (Blocks 26 – 34) pursuant to the Owner Participation Agreement with FOCIL-MB, granting a variance to the view corridor standards contained in the Mission Bay South Design for Development to accommodate one pedestrian bridge for Blocks 29-32, and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Area. (Resolution No. 97-2011)

Presenters: Kelly Kahn, Agency Staff; Ford Fish, Director of Campus Development, Salesforce; Victor Legorreta, Legorreta Architects

Speakers: Oscar James, Corinne Woods, Dan Deibel, Mark Dickey, William Jue, William Znou, Espanola Jackson

Commissioner Bustos stated that he was very happy that the design is more refined and looks better and better every time Salesforce comes before the Agency. Mr. Bustos reiterated to Mr. Fish the importance of local hiring and getting jobs to San Franciscans since this project is on San Francisco property using San Francisco resources so he felt it was only fair that San Franciscans get jobs. Mr. Bustos stated that they had a point of 50% which means there is another 50% for other people. He commended them for reaching out to work with Mission Hiring Hall (MHH). Mr. Bustos asked Mr. Fish to take into consideration Mr. James' idea of working with Young Community Developers (YCD) and asked Mr. Fish if they had been in communication with them.

Mr. Fish responded that they had only been in touch with MHH as that was the agency that was in the lead on this, but stated that if YCD is a part of MHH, then they would be happy to work with them.

Commissioner Bustos stated that he was very happy to hear that because this is a long-term project and that Salesforce knows what type of jobs they will need in the future and who they will need to hire beyond the goal of 9,000 people. Mr. Bustos suggested that they identify those jobs now, so they can go into the community schools of the Mission, Hunters Point, and Bayview and tell the young people that there is an opportunity that exists in their own backyard to apply for those jobs. Mr. Bustos added that this would mean so much to the communities as well as to Salesforce.

Mr. Fish responded that he would be happy to do that and to have more outreach in that area. He indicated that their intern program exists and that many intern positions have been identified but what they need is help from the Agency to identify the local schools to contact in order to implement the intern program. Mr. Fish indicated that he would love to go out personally and talk to the kids in the schools. Mr. Fish stated that he would welcome that opportunity, growing up in San Francisco, and attending grammar school and high school here.

Commissioner Bustos indicated that he was very happy that Salesforce is willing to work with local residents and artists, local people who would be very happy to help beautify the Salesforce campus. Mr. Bustos indicated that the community leaders at the meeting, specifically Ms. Jackson and Mr. James, could help Salesforce identify many of the artists they should contact.

Mr. Fish responded that he welcomed those leads.

Commissioner Bustos directed a comment to Mr. Dickey that he liked what Salesforce does, in comparison to Levi's, such as hold a community day where employees are encouraged to go out into the community. Mr. Bustos stated that there is a rich history of giving by the Levi's company and by the family and that he would love to talk to Salesforce about doing the same for San Francisco. Mr. Bustos indicated that San Francisco companies have a long tradition of being philanthropic toward local communities. He stated that Levi's average giving amount is about 2½ -3% with a target of 5% and suggested that Salesforce start off at a little bit more than 1% and that he would be happy to share with Salesforce how they go about their philanthropy toward the community. Mr. Bustos stated that he was delighted that the company was here and that he would be honored to move this item and thanked the staff for the work they had done on this project.

Commissioner Singh stated that he very much liked the color coordination of the buildings and said that he had not seen anything like it before. Mr. Singh inquired as to how many people will be working during construction.

Mr. Fish responded that they had hired Libby Siebel Consulting for economic analysis and they figured that 7,000 people would need to be hired over the course of construction.

Commissioner Singh asked how long it would take to complete the job.

Mr. Fish responded that they anticipate starting late next year and that it would take 3-4 years.

Commissioner Singh inquired if there would be minorities working too.

Mr. Fish responded that yes there would be and that was the whole point of workforce hiring.

Commissioner Singh inquired as to what percent would consist of minorities.

Mr. Fish responded that right now they have 52% on the design staff against a target of 38%; the target for the workforce hiring, which is the construction, is at 41% for diversity and 50% for local hiring. Mr. Fish indicated that they intend to attack that just as aggressively as they did for the design team, where they exceeded goal. He stated that is why they are working right now with MHH and talking about the intern program with the Agency.

Commissioner Singh inquired about the plaza and meeting places for the public and for the employees also.

Mr. Fish responded that they have a large town square which is open for everyone.

Commissioner Singh inquired whether you have to reserve that place if you want to use it.

Mr. Fish responded that no reservation was needed and everybody was welcome. Mr. Fish indicated that there will be many restaurants.

Commissioner Singh indicated that he saw that they will have yoga classes and that he is from India and was very interested to see how they do that. Mr. Singh seconded Mr. Bustos' motion.

Commissioner Covington stated that she agreed with the statements of her fellow commissioners, that the design was very attractive, and appreciated that the architect and the team incorporated the ideas presented from the previous meeting. Ms. Covington stated that she heard Mr. Fish say that if YCD was a part of MHH, then he would be happy to work with them. Ms. Covington stated that to the Agency, YCD is not only part of the MHH but they are of equal weight, both being non-profit organizations that concentrate on helping people develop their job readiness skills and that it was very important to her that Salesforce treat YCD as an equal to MHH. Ms. Covington stated that both MHH and YCD have done great works which the Agency strongly supports, but the difference is that YCD is located in the area where people need the greatest assistance and focus in terms of job-readiness. Ms. Covington stated that she hoped that they would come back with a plan to demonstrate how they will incorporate YCD into the project.

Director Blackwell indicated that he wanted to respond to some of the comments made so far. He stated that he wanted to reiterate the way the job-readiness program works and the framework for workforce development. They have separated the workforce development system into two components—one is placement and the other is soft skill and job readiness piece. In the northeast part of the city (in which Mission Bay is included, MHH is the job placement organization which they have selected through their process and in the southeast part of the city, it is CityBuild. Both organizations on the job-readiness and outreach side are working with a number of organizations. On the job-readiness and outreach side in the southeast part of the city, there is YCD, the Conservation Corp, and Goodwill; up until this year, they had Anders and Anders and that covered Bay View and Visitation Valley. It is the Agency's expectation and MHH's goal to replicate that same kind of relationship in the northeast part of the city. While MHH is the placement organization and while it is important to be able to deliver to Salesforce one kind of placement entity for them to work with, the reality is that they will be working with YCD, Conservation Corps, and Goodwill and with the other groups in the southeastern part of the city to get into the placement queue. Mr. Blackwell wanted to clarify that just because MHH has been named the designated placement entity, this will not cut out other organizations that the Agency is also working with.

Commissioner Covington stated that she would like to see a plan of coordination and associated with that: outcomes. How many people do they anticipate to be ready for construction, office, childcare, security or whatever kinds of jobs out of the proposed 9,000 future employees? What is the timeline for getting people job-ready? This is very important. Ms. Covington stated that she has gone to a number of mayoral forums and there is one candidate who consistently states that workforce is not working because there is no coordination. It is on other people's minds as well and one of those people may be the next mayor. Ms. Covington stated that this is an incredible opportunity for the city overall and shall not be wasted so that people must be gotten ready for work and get them into jobs that lead to careers and do what is necessary to lift up everyone in the city. Ms. Covington inquired as to when that plan might be forthcoming.

Ms. Kahn responded that Salesforce will be back repeatedly with a schematic design at the end of the year, and that might be an appropriate time to present the plan which could be part of the presentation.

Commissioner Covington thanked Ms. Kahn for that response. Ms. Covington stated that she saw that what they are voting on this evening includes underground facilities, with the exception of underground garages, loading docks, service areas and corridors and asked if that was the only addition to this resolution.

Ms. Kahn responded that this was the only change because the language was very broad and that they had found it very desirable to have underground parking and loading zones because it gets those uses out of the pedestrian realm at the ground floor. Ms. Kahn indicated that what they did not want to do is to have to use tunnels for pedestrian use by people who would otherwise be on the sidewalks.

Commissioner Covington inquired about how many parking spaces there would be.

Ms. Kahn responded 2,200.

Commissioner Covington asked about the pedestrian bridge and that on page 21, there were two bridge schematics. While the lead architect did demonstrate the schematics, Ms. Covington wanted to know which bridge was being considered, because they are very different in design and inquired why one would be considered over the other.

Ms. Kahn indicated that currently there is no schematic design for the bridge but just a conceptual design to give the spirit of the bridge. When the schematic design comes before the Agency for the two buildings that the bridge would be connecting, then there will be a schematic design for the bridge. Ms. Kahn indicated that the design team still has work to do on that design and what the Agency is currently looking at is not intended to represent the bridge proposal.

Mr. Legorreta added that they wanted to show some image of the bridge but they will probably have more for the commissioners at the next meeting. He stated that the bridge will be transparent and you will be able to see the people inside from the outside.

Commissioner Covington inquired as to whether the cylindrical or the square idea is preferred.

Mr. Legorreta responded that they had not made that decision yet.

Commissioner Covington inquired what the distance was between the two buildings.

Mr. Legorreta responded between 40-45 feet.

Commissioner Covington inquired as to whether it would be illuminated at night.

Mr. Legorreta responded yes and that it would be placed on the fourth floor so that it will not block the view or the landscaping.

Commissioner Covington asked Mr. Dickey (Salesforce.com Foundation) what the mission of the Foundation is.

Mr. Dickey responded that the mission is to take that 111 model and to work not only with the employees of the company in terms of their philanthropic efforts both in terms of donated hours and financially as well and also to take some of the core assets of the company such as technology and make it available to non-profits on a global basis and to work with them to help them achieve their mission more effectively and efficiently.

Commissioner Covington inquired as to whether employees suggest community-based organizations for funding or how it is that they select their grantees.

Mr. Dickey responded that the grants themselves are really in the form of technology grants and have an open application process that happens once a year. He stated that regarding the financial support of the employees, much of that focuses on matching grant programs so the Foundation will match a certain amount a year for employees for whatever non-profit they choose to support. In the case of dire circumstances, like disaster relief, Mr. Dickey stated that they will match as well as make financial grants as relief efforts.

Commissioner Covington indicated that a number of the young people talked about the biz academy, and stated that she understood that there is a one-week overview of business and then follow-up internships.

Mr. Dickey responded that the kids are assembled in teams and build a business model which they then present to various people not only in the venture capital community but people that play venture capitalists to pitch their business model and then the kids are given the opportunity to go ahead and get response directly back from them on the business model and things they need to consider. As an output of that program, that is the beginning of a relationship with the company and then they apply for internships as they become available. Mr. Dickey indicated that all four of the young people present at the meeting were members of that program.

Commissioner Covington stated that she met them before the start of the meeting and was very impressed by them. Commissioner Covington inquired as to whether they are summer internships. She stated that she asked because in the Bayview there are many students who go to college elsewhere and then come home for the summer, she would like to see some linkage between Salesforce internships and the college students coming from other parts of the country.

Mr. Dickey responded that the internships are actually both summer and during the year.

Commissioner Covington inquired as to whether the Foundation has come up with anything that links, either on paper or in conversations, collaboration in the southeastern part of the city with what people's needs are there with this burgeoning project that Salesforce has and inquired whether there is any cross-pollination or if anything like that has begun.

Mr. Dickey responded the affirmative and stated that they are working on a new program called the "Good Neighbor" program which will specifically address what Commissioner Covington just described in the community. There currently are a variety of assessments going on as to what that would look like, who Salesforce would engage with, etc., but it is in the very early stages and will be in a position to talk more about that program by next spring.

Commissioner Covington stated that she thought it was a fabulous project, is going to be a wonderful addition to the city and that she supported it.

Commissioner King congratulated Salesforce for coming through with a different perspective and bringing their team together and said that he appreciated that. Mr. King stated that they talked about Levi Strauss many years ago when Mr. King was on the Commission and they put that together. He stated that if they follow that program, they will get things done. Mr. King thanked them for coming through and bringing the whole team because during their last presentation he thought they were a little shaky but now working with YCD and MHH he believed they were on their way and they have a year or so to work this project through. The city needs the work and he thanked them very much.

Commissioner Anaya thanked the community advisory committee and the community who came to speak throughout these meetings. She stated that this project would not have been possible without their support. Ms. Anaya also congratulated the lead architect, Mr. Legorreta, on the wonderful design which blends so well with San Francisco. Ms. Anaya stated she looked forward to seeing this. Ms. Anaya wanted to speak more about workforce development and jobs, which is extremely important to the city's underserved communities. She was very happy to hear that the personnel working with Salesforce is very happy with the results of the association between them. Ms. Anaya asked that the agreement between MHH and YCD be part of the contract, the document that is being signed and she inquired if they needed a motion for that or if it is automatic but she wanted to put that on the table. Ms. Anaya also wanted to inquire whether supplier diversity has been considered or can be considered in the future because they have found that that is another way that they can create jobs and contracts and wanted them to address that. She thanked the staff and the work that the community has done to this point and thanked Salesforce and the Foundation in believing and working so hard to bring something very real and appropriate for everyone in San Francisco, but especially that it will help the underserved communities.

Commissioner Singh stated that he forgot to mention Don Marcos and the MHH. He stated that he agreed that they are the best and that Salesforce is lucky to have them.

President Swig stated that it was obvious that the Commission was very excited about this project and had a couple of comments to add. Mr. Swig stated that he noticed a great emphasis on the retail make-up, which was a key component. Mr. Swig inquired as to what type of retail it would be.

Ms. Kahn responded that the plan includes a diversity of retail users and that they are looking at ways to make sure that the campus is activated from the morning into the evening, particularly the town square, so it would be small restaurants, small retail, and art galleries as well, but is still very much in development.

President Swig inquired whether they are looking at a true town square environment where there are not just coffee houses and sundry shops but inclusive clothing stores and other stores that one would find in a town square.

Ms. Kahn responded that there would probably be an emphasis on eateries that keep the space open at night; however, the retail will be designed in a very flexible way so Salesforce can be very nimble to the kind of users that want the space and what the market is driving and over time, as the population increases, they may see the demand for the retail change a little. But for now, Ms. Kahn stated that they were focused on mostly cafes and restaurants and services.

President Swig inquired about the size of the town square.

Ms. Kahn responded that it was one acre.

President Swig inquired what that was in square feet.

Ms. Kahn responded 43,560 square feet.

President Swig stated that is was like the size of three gigantic grocery stores.

Ms. Kahn stated that it would be the size of one gigantic grocery store.

President Swig compared it to the size of the Costco store down on 10th, which was about 100,000 sq. feet.

Ms. Kahn said it would be smaller than that.

President Swig inquired about the 2,200 parking spaces but he said that they had to look to the north and that Lot A has not been proposed to anybody yet but Lot A will have 2,000-3,000 parking spaces.

Ms. Kahn responded that it would not be serving this project. This project will create its own parking garage.

President Swig stated that they cannot be in denial that a block away that other thing exists. He stated that he considered that a plus, not a negative. He stated that sometimes we put on blinders and we do not look to the south but should not be myopic about what else is in the neighborhood. Mr. Swig thanked Mr. Legorreta and Mr. Fish as well as Salesforce Chairman Benninghoff for what he considered this to be a gift to the city. He stated that the Agency has seen countless companies bail on the city and used as an example the Bank of America, which he calls the Bank of Charlotte, which left them in the lurch; Chevron left them in the lurch; PacBell and AT&T left them in the lurch. He stated that this has to be recognized as a true corporate donation to San Francisco because they could have gone south or east somewhere else but they chose to stay in San Francisco. It is a huge commitment and the jobs that will be created as well as the company staying in San Francisco needs to be recognized and he thanked their leadership for making that decision. Salesforce is community-driven company, the one plus one plus one, and their commitment to the community is fantastic. On the issue of workforce development—Don Marcos and MHH is clearly a leader in that area but again the Agency's focus is heavily to the south and very concerned with the Bayview Hunters Point community and the southeastern corner which always seems to get left behind. Mr. Swig stated that the southeastern corner will have a wonderful opportunity when that gets to be developed in about 2020 or 2025, but this will be built long before that and that this is great opportunity to embrace that community and bring them into the fold, get people in that community trained and oriented toward white collar as well as blue collar jobs so that they can return to their community and support it well-trained and improve the overall work culture of that community when that area of activity blossoms there in about 10 or 15 years. Mr. Swig stated that that is the orientation and they would like to see a plan. He indicated that it does not have to be mandated that YCD and MHH be included and they will leave it to the staff because that is their job. Mr. Swig indicated that he is sure that in that plan this will be a strong consideration by staff and Salesforce in the overall planning of this project but today the Agency is focused to the south and Bayview Hunters Point and want to bring them into the fold and embrace them.

President Swig stated that he had attended part of the dream force convention that was here two weeks ago and had the opportunity of getting informed about Salesforce.com and what they do and what they do is fascinating. Mr. Swig stated that the existence of this company in our city is going to keep San Francisco on the leading edge as a technology leader for many years. Their contribution was obvious by the 45,000 people who attended the convention here. Not only did 45,000 people attend but another 20,000-25,000 hotel rooms were occupied. As a result, Local 2 was occupied with housekeepers, food and beverage, front desk, truckers, stage hands, keeping everybody in the city employed for a five-day period. He stated that they are coming back next September to do it again and Mr. Swig stated that he would love for Salesforce to sign a 20-year commitment to be in San Francisco with that convention. The contribution is already there, the jobs are already there and what they do in their professional world is amazing. He thanked them and looked forward to more detailed building by building activities. Mr. Swig indicated that this was a revised motion passes unanimously.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 97-2011, CONDITIONALLY APPROVING A MAJOR PHASE APPLICATION FOR THE NEW SALESFORCE.COM CORPORATE HEADQUARTERS IN MISSION BAY (BLOCKS 26 – 34) PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, GRANTING A VARIANCE TO THE VIEW CORRIDOR STANDARDS CONTAINED IN THE MISSION BAY SOUTH DESIGN FOR DEVELOPMENT TO ACCOMMODATE ONE PEDESTRIAN BRIDGE FOR BLOCKS 29-32, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT AREA, BE ADOPTED.

(e) Authorizing a First Amendment to the Personal Services Contract with Treadwell & Rollo, a Langan Company, a New Jersey corporation, for the period covering September 20, 2011 through December 19, 2012, to increase the contract amount by $1,251,620 for a total aggregate amount not to exceed $2,701,880, for technical environmental review services in connection with; (1) the Phase 1 Development at the Hunters Point Shipyard and (2) the transfer of property at the Hunters Point Shipyard from the United States Department of the Navy to the Agency; Hunters Point Shipyard Redevelopment Project Area. (Resolution No. 98-2011)

Presenter: Thor Kaslofsky, Agency Staff

Speakers: Oscar James, Espanola Jackson

Commissioner Singh asked Mr. Kaslofsky what he thought about the speakers' comments.

Mr. Kaslofsky stated that they were aware of the situation at Hunters Point and that the speakers' testimony here was consistent with what they had heard before. The Navy, who is conducting the remediation and the EPA has heard this before and taking this under advisement as they propose for E2, which is the hearing happening tonight, and taking all the information under consideration. Mr. Kaslofsky stated that they always try to push for the community viewpoint as well. They have had many public meetings about this and he testified earlier that they presented this to the CAC and has briefed the CAC frequently. The Environmental subcommittee which meets on a monthly basis as well as Amy Brownell from the Health Department has also been out to the site often. These kinds of questions get asked by the community and Mr. Kaslofsky stated that they are in support of responding to those questions frequently.

Commissioner Covington inquired about official policy of the Agency and directed her question to Director Blackwell. She inquired as whether the Agency has a statement in support of cap or no cap.

Director Blackwell responded they do not have a statement in support of cap or no cap at this point. He stated that what they have is reliance on the EPA and the other regulatory agencies and the Agency will not be able to accept any of the parcels without the proper regulatory sign-off. For some portions of this what is being said is that the remedy could be a cap but they are not there yet because they have not gotten to the point where that has been signed off. But it is being considered and will be one of the important issues for everyone to weigh in on as they get to that part of the process.

Commissioner Covington stated that it was pretty clear that in order to get to the next step in development they need to clear this hurdle and pass this particular resolution for additional funds. Ms. Covington stated that this is an ongoing conversation and she is happy to say that her phones have been relatively quiet as concerns exceedances, etc. regarding the shipyard and she felt they had stabilized procedures and hopefully much communication is going on between all the groups involved. Ms. Covington stated that she agreed with the speakers who are asking why this is taking so long and did not want the Agency to stand in the way of the paperwork and research that has to be conducted so that they can move along. She reiterated that the dialogue needs to be kept open about safety standards and level of clean-up. Ms. Covington put forth a motion to move the item.

Commissioner Singh seconded Ms. Covington's motion.

President Swig stated that he agreed with Commissioner Covington. He stated that this Agency is about policy and as the Executive Director stated, at a later point, they will listen to the EPA and other government agencies and get some direction from them. Mr. Swig stated that they had conversations about this a long time ago, well before they went before the EIR process and he believed that at that time he suggested and requested that they have regular briefings on this situation, and he commended Amy Brownell for her dedication to and knowledge about the project, because at some point the Agency will have to make a policy statement on cap or no cap or about other things that will surface. Mr. Swig requested that the Executive Director put on the calendar for the future to get updated briefings on the issues and a reminder so they can re-educate themselves on the subject of Superfund vs. not Superfund, the toxins that exist out there, the process that the Navy is going through now that they are out of the logjam from the lawsuit and can move forward on this subject. Mr. Swig stated that it has been a long time and there are three new Commissioners since that discussion and this will be a good opportunity to get rebriefed and get the Agency up to speed and acknowledge that eventually they will have to set up some policies and provide some feedback. Mr. Swig asked Mr. Kaslofsky to make that happen in 8-12 weeks from now. Mr. Swig also agreed with Commissioner Covington that this has taken too long but he would like the Executive Director to provide an update on the litigation solution which was rendered recently.

Mr. Blackwell responded that what happened in the courts is that the lawsuit was one that challenged the validity of the environmental review process and the EIR for Phase 2. He stated that basically what the court said in laymen terms is that the EIR actually does cover implementation of the project with the exception of the issue of early transfer and that would require additional environmental review.

President Swig acknowledged that the project will get moving again and they will have to focus more on that issue.

Director Blackwell concurred.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 98-2011, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH TREADWELL & ROLLO, A LANGAN COMPANY, A NEW JERSEY CORPORATION, FOR THE PERIOD COVERING SEPTEMBER 20, 2011 THROUGH DECEMBER 19, 2012, TO INCREASE THE CONTRACT AMOUNT BY $1,251,620 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $2,701,880, FOR TECHNICAL ENVIRONMENTAL REVIEW SERVICES IN CONNECTION WITH; (1) THE PHASE 1 DEVELOPMENT AT THE HUNTERS POINT SHIPYARD AND (2) THE TRANSFER OF PROPERTY AT THE HUNTERS POINT SHIPYARD FROM THE UNITED STATES DEPARTMENT OF THE NAVY TO THE AGENCY; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(f) Conditionally Authorizing Reimbursements to the City and County of San Francisco for Its Payment of the Community Remittance in an Amount Not to Exceed $24,445,279 for Fiscal Year 2011-2012 and Other Amounts in Subsequent Fiscal Years, as Required under the Alternative Voluntary Redevelopment Program Established by AB 27 (Part 1.9 of the Community Redevelopment Law), Subject to a State Supreme Court Decision Upholding The Constitutionality Of AB 27. (Resolution No. 99-2011)

Presenter: Jim Morales, Agency General Counsel

Commissioner Singh inquired as to what would happen if the California Redevelopment Agency (CRA) were to win this case.

General Counsel Morales responded that the CRA has challenged both laws, both the dissolution law and the law allowing for the Voluntary Redevelopment Program. If the California Supreme Court (CSC) rules in favor of all claims made by the CRA, then in essence the Agency will be returned to the state that they were in last June before the laws were passed and they will have the full authority under the Community Redevelopment Law and there will be no requirement for a payment in order to survive. However, it is likely that there will be a legislative response to that decision, but it is speculative now. The Agency would be returned to their full authority as they had it before June 29, 2011.

Commissioner Singh asked if they get the money back if they win.

General Counsel Morales responded that the Agency will not make any payment until the CSC decides this and says they have to, so they will not have to consider that option until then and that is why this is conditional.

Commissioner Singh put forth a motion to move this item.

Commissioner Anaya seconded Mr. Singh's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER ANAYA, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 99-2011, CONDITIONALLY AUTHORIZING REIMBURSEMENTS TO THE CITY AND COUNTY OF SAN FRANCISCO FOR ITS PAYMENT OF THE COMMUNITY REMITTANCE IN AN AMOUNT NOT TO EXCEED $24,445,279 FOR FISCAL YEAR 2011-2012 AND OTHER AMOUNTS IN SUBSEQUENT FISCAL YEARS, AS REQUIRED UNDER THE ALTERNATIVE VOLUNTARY REDEVELOPMENT PROGRAM ESTABLISHED BY AB 27 (PART 1.9 OF THE COMMUNITY REDEVELOPMENT LAW), SUBJECT TO A STATE SUPREME COURT DECISION UPHOLDING THE CONSTITUTIONALITY OF AB 27, BE ADOPTED.

(g) Adopting a First Amended Enforceable Obligation Payment Schedule pursuant to Community Redevelopment Law Section 34169(g), as required by AB26. (Resolution No. 100-2011)

Presenter: Amy Neches, Agency Staff

Commissioner Bustos thanked Amy for putting this together and put forth a motion to move the item.

Commissioner Singh seconded Mr. Bustos' motion.

President Swig commented that hopefully the CSC will find something in the Agency's favor or disfavor and they all will not have to go through this for long. He commended Amy on all her hard work on this item.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 100-2011, ADOPTING A FIRST AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO COMMUNITY REDEVELOPMENT LAW SECTION 34169(G), AS REQUIRED BY AB 26, BE ADOPTED.

5. MATTERS NOT APPEARING ON AGENDA: None

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.

Speaker: Oscar James

7. REPORT OF THE PRESIDENT:

President Swig stated that he would like to adjourn later in honor of Eloise Westbrook and asked Mr. King when he calls for adjournment to please call it in her honor. Ms. Westbrook passed away on September 13 and Mr. Swig read the press release that stated that, "she was a long-time advocate for the poor and a founding board member of the South of Market Health Center". Mr. Swig stated that this was probably the greatest understatement of any press release ever because to describe Ms. Westbrook would take a couple of Commission meetings worth of time to describe her dedication and her giving to the community. She will be remembered for her personality, her political will and her strong way of getting things done on behalf of her community and she will be missed. As Mr. James indicated, her funeral will be held at 10:00am at the Cornerstone Baptist Church and Mr. Swig expressed condolences on behalf of the Agency to her family and the community that she served. The family indicated that in lieu of flowers that donations be considered for the Eloise Westbrook scholarship fund, which can be delivered care of the South of Market Health Center at 229 Seventh Street.

President Swig stated that there has been a gap in communication because the Agency had not been together for over a month and that his life was turned upside down for the lack of activity that the void created. On a happier note he announced that $30,500,000 had been provided by HUD to the Alice Griffith Housing neighborhood which was an uplifting and joyous occasion and Mr. Swig expressed the Agency's appreciation to HUD and to those in the federal government who support the notion of this grant, to Agency staff and the community who never gave up and continued to push, and the result is this grant which is the best money that can be spent in this city at this time. Mr. Swig congratulated the residents of Alice Griffith and stated that this is just one more step forward to giving them a brand new home.

Next President Swig indicated that they had the opportunity of attending the Turk/Eddy grand opening on September 14th, which was the result of rescuing 82 units of low-income housing which could have become market-rate housing and where those 82 residents living in the two buildings at 165 Turk and 249 Eddy will be able to continue to live in housing that is affordable. Mr. Swig indicated that the buildings have been beautifully refurbished in a tough neighborhood but are truly beacons of light and congratulated staff and all the participants who made this housing project a reality. Mr. Swig described this as another uplifting event which brings everyone to the point of scratching their heads and wondering why would anyone want to eliminate redevelopment because if one looks at Alice Griffith and Turk & Eddy and the other projects that they get involved in, without the Agency, the staff and the joint venture with the community and all the CAC's and all the people that live in those communities, these types of events would not happen. Mr. Swig stated that it is a constant question as to why the Agency should be at risk.

President Swig sadly announced that Executive Director Blackwell will be departing and moving across the bay to the "other" city and stated that this was quite a loss for the Agency and for the city. Mr. Swig indicated that Mr. Blackwell will be taking on the position of Assistant City Administrator for Oakland which means that he will be running all the departments for the City of Oakland. Mr. Swig stated that this is a great opportunity for someone who grew up in Oakland and is proud of his hometown as those who grew up in San Francisco are proud of their hometown, and that there was not a better person to accomplish that than Fred Blackwell. He also stated that it was tragic for the Agency and he will be missed tremendously and congratulated him and wished all the best as well as to tell Oakland that it is their dream come true. Mr. Swig requested that Director Blackwell inform the Agency what happens next in terms of succession and elaborate on that in his report. Mr. Swig indicated that this meeting was his last with the Agency because he leaves on October 14 and the next Agency meeting will be October 20. Mr. Swig indicated that Mr. Blackwell will be invited back and thanked him for all his contributions to the Agency and the city.

8. REPORT OF THE EXECUTIVE DIRECTOR:

Director Blackwell thanked President Swig for his kind words and indicated that he wanted to provide an update on Hunters View to give a sense of where they are there. On a number of occasions the Commission has asked for frequent updates and he wanted to provide the numbers. As of September 16, there have been a little more than 23,000 construction work hours reported through the elation system; of those 34.6% were completed by Hunters View residents, 6% completed by residents of the 94124 area, 26.4% completed by other San Francisco residents which adds up to 67% of the total work hours so far being completed by San Francisco residents. To add some color to that literally, 44.6% of the construction work hours were completed by African Americans and 12.2% completed by women. Mr. Blackwell indicated that there is a very thorough review of these numbers through the requirement of verification of residency through government-issued identification and in addition to that, the Agency checks with the Housing Authority to make sure that people are either on lease at Hunters View or on lease within Housing Authority Development. They also ask for verification if the government-issued identification is not in place through utility bills, etc. So there is no doubt that some people may have made it through the cracks somehow, but it can be stated with confidence that these numbers are pretty accurate. Mr. Blackwell stated that these are outstanding numbers and wanted to acknowledge Christina Garcia and her staff who have been working very hard at Hunters View to achieve those numbers as well as the CBO's working in Hunters View and CityBuild. Mr. Blackwell indicated that they have not been easy numbers to obtain and will not be easy to maintain throughout this development particularly as they move from the horizontal phase of development into the vertical phase which will require more highly skilled workers. Mr. Blackwell stated that they are very happy with these numbers even though there seems to be conflict within the community around local hire numbers.

Mr. Blackwell indicated that General Counsel Morales gave a very good summary about where things stand in the courts related to AB 26 and AB 27 and the likely next steps. Mr. Blackwell provided one additional update which was that, a few weeks ago the California League of Cities (CLC) and the CRA asked the courts for modification of the stay that was granted when the CSC decided to take the case. As Mr. Morales indicated, the courts said that there was a partial stay granted for AB 26 and 27, with the exception being that the provision in AB 26, which called for the suspension of activities within redevelopment agencies, which did not allow for the assumption of new debt or to take on new obligations, was kept in place. That created many question marks in the redevelopment field because people wanted to know if they had adopted continuation ordinances already and were back to operating back to the way they had been operating prior to June, would they be in this suspended state. Mr. Blackwell also indicated that there had been questions about if the Agency were to adopt continuation ordinances from now to January, whether they would have the suspension lifted as well. The CLC and the CRA asked the courts for clarification on this issue. Mr. Blackwell reported that last week the courts denied that motion which means that if jurisdictions adopted the continuation ordinances, they are still suspended and if you were to adopt the continuation ordinance between now and January, you would still be in a suspended state until the courts render a decision around this case in mid-January.

Regarding his departure, Mr. Blackwell stated that his last day will be October 14 and he is currently in discussions with the Mayor's Office to talk about succession planning. Mr. Blackwell reiterated that choosing an acting or interim director is the Commission's decision and that this issue should be taken up during the October 20 meeting, if not before, in order to make that decision. Mr. Blackwell indicated that it will be difficult to fill this position on a permanent basis until a) there is an election in November and b) the dust settles on the lawsuit which will not be until January. However, Mr. Blackwell felt that there will be more discussions on his succession in the coming weeks but he did not have any more information than that at this time.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

- Commissioner Singh stated that he was shocked when he heard about Mr. Blackwell's leaving the Agency but wished him the best and asked him to please stop by from time to time so they can keep in touch.
    - Mr. Blackwell responded that he had plenty to say in terms of thanking the Agency for all the opportunities that the Agency has provided him and he indicated that there will be, at a future commission meeting, some type of resolution which he was reserving the right to say more then.
- Commissioner Covington stated that she will reserve her comments as well because she has much to say but in short she congratulated Mr. Blackwell and stated how much they will all miss him and that he had done a fabulous job. Ms. Covington proposed that they have a meeting on October 4th. Ms. Covington indicated that the once-a-month meetings are good for responding to what staff presents but since they are supposed to be the policy-making body and there are still many things that fall under their responsibility such as continuing the conversation about workforce and local hire; the Agency should continue working in all areas with respect to that. Also regarding their affordable below-market ownership portfolio, Ms. Covington indicated that this is a challenging market and they have a number of homes that are for sale and as an Agency they need to weigh in on next steps as far as getting these homes sold and getting owners into them. Ms. Covington added that there are always things to discuss regarding the shipyard and updates on what is going on and next steps in that issue. Ms. Covington stated that for the Agency to remain silent is almost like acquiescing that they are no longer there and/or anticipating not being there. If there is no second meeting every month, Ms. Covington recommended that they still use their time with KPOO because they are on a twice-monthly schedule of payment for two meetings a month and perhaps principals in the Agency can still go in at 4:00pm and have a call-in show or talk about all the things that are still going on with redevelopment. Ms.

Covington stated that in times like these, in terms of marketing and public awareness, you do not sit back and be quiet, but rather they should be more vocal about what they are doing, what their accomplishments are and keeping people up to date. Ms. Covington added that because their Executive Director has tendered his resignation, it is imperative that they have a meeting on the first Tuesday in October so they can start formulating a succession plan and appoint an acting and interim director so there is no downtime and no lag in leadership. Ms. Covington felt that they owed that to their employees who work very diligently and to themselves as a Commission. Ms. Covington indicated that when Mr. Blackwell came on board, she was President of the Commission and, he could attest, that it was about a 20-hour a week job for the president to simply help him get started. The job of Executive Director is not an easy job because there are so many things in the Agency portfolio. Ms. Covington added that as part of their responsibility, the Agency needs to decide who the Acting and Interim Director will be and it should be done sooner rather than later.

- Commissioner Anaya stated when she served on the school board; Ms. Westbrook was very active with the schools and with all children and also throughout the years on the Mission Coalition. Ms. Westbrook was also active with the community and when Ms. Anaya ran for office, Ms. Westbrook was one of her big supporters. Ms. Anaya wanted to publicly acknowledge the involvement of Ms. Westbrook not only in her community but throughout the city. Ms. Anaya echoed all the comments and words of President Swig regarding Mr. Blackwell and stated how much they will miss him but also stated that it is a matter of celebration for the Agency that Mr. Blackwell will be able to do the work on the job that he has always wanted. Ms. Anaya expressed her congratulations to Mr. Blackwell and said they look forward to continue working with him. Ms. Anaya had a question of clarification regarding their agreement with Salesforce. Ms. Anaya had requested that they get in the agreement or contract with Salesforce that the CBO's will be doing the referral work and wanted to know if that was necessary or not.
    - President Swig responded that he had suggested that they come back with a plan and that staff had recommended a direction and felt they should honor staff's direction at least until they hear the plan and they all had a common view that the southeast section of the city should be involved and that one of the CBO's there should be heavily involved. Mr. Swig recommended that they wait to see what their plan will reveal in terms of the Agency's request and if stronger action is necessary after that, then the Agency can take that action at that time.
- Commissioner Anaya clarified that she was not questioning the plan but was requesting that the names of the agencies be part of the contract and agreement since the futures of Mr. Fish and Mr. Dickey are unknown and whether what the Agency believes they need for their communities in terms

of jobs and workforce development will be honored. Ms. Anaya stated that is was fine that they wait until they come back with their report.

  - President Swig responded that the report will come from staff and not from Mr. Fish or Mr. Dickey so the responsible party within the Agency will be held accountable for honoring the Agency's wishes in that regard.
    - Mr. Blackwell added that the rules for development in Mission Bay are similar to the way it is with the shipyard and are laid out in the Redevelopment Plan and in the Owner Participation Agreement with the Master Developer. He indicated that what is unique about Mission Bay and the shipyard is that these are master developer deals and in the shipyard specifically, the contracting goals and the workforce development rules are in the LPA and on the workforce development side, the agreement states that first source is the policy that sets out the rules around workforce development. That being said, as the Agency heard today, Mr. Blackwell stated that Salesforce has already been expressing willingness and interest to go above and beyond what the city's policy is and it is the Agency's full intent to memorialize those enhanced agreements in some way and when they do that, they will include in it the designation of who they will be working with so the Agency will see that the next time it is brought up.

- Commissioner Anaya thanked Mr. Blackwell for that clarification.

- Commissioner King stated that he agreed with Commissioner Covington that they should have two meetings a month to keep going although they don't know where they are headed but they still have the authority. Mr. King stated that although he did not want to see Mr. Blackwell leave, he told him that he had to take care of his family and get some security for himself and that Oakland is the place where it is going on. Mr. King reminded Mr. Blackwell that half of his family lives in Oakland so he would be checking on him because his headquarters is in Oakland. Mr. King mentioned that Eloise Westbrook was quite a lady and that redevelopment would not be here if it wasn't for Ms. Westbrook. He recalled that there were five women from Hunters Point who went with Joe Alioto back to Washington to develop and bring the Redevelopment Plan to San Francisco and Ms. Westbrook was one of them. He remembered her as a lady who knew how to use her words and was a wonderful person. Mr. King stated that he had seen Ms. Westbrook a month earlier out on O'Farrell Street still working for the community. Mr. King remembered when Ms. Westbrook had to leave Hunters Point because she could no longer climb the steps and moved to O'Farrell Street, he saw her in the hospital and they had to move her on a stretcher; she always said that she was going back to her area but she never did make it back. She was a strong lady and knew how to use some choice words with people. Mr. King also agreed with Commissioner Covington about keeping things going with the Agency because they could very well be there for a number of years. Mr. King asked Mr. Blackwell if this was his last meeting.

- President Swig responded that now it won't be because they are having a meeting on October 4th. Mr. Swig added that there are two items that will be discussed at the meeting with the Executive Director, one of which will be his recognition and the other, the issue of an interim Executive Director. In the meantime, Mr. Swig mentioned that they will have some discussions on those items and if there are other items that they can put on the agenda that are educational or deal with redevelopment business, he wanted to hear about them.

10. CLOSED SESSION: None

11. ADJOURNMENT:

Commissioner King adjourned the meeting in honor of Ms. Westbrook.

It was moved by Commissioner King, seconded by Commissioner Anaya, and unanimously carried that the meeting be adjourned, in Ms. Westbrook's honor, at 6:50 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

NOVEMBER 15, 2011

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 4th DAY OF OCTOBER OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 263, in the City of San Francisco, California, at 4:00 p.m. on the 4th day of October 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Miguel M. Bustos
Francee Covington
Leroy King
Agnes Briones Ubalde

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Fred Blackwell, Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY: No Reportable Actions.

At this time, the Agency Commission will consider taking Closed Session Item 10(a) out of order and recessing to Closed Session.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

(a) Appointing an Interim Executive Director of the Redevelopment Agency of the City and County of San Francisco. (Resolution No. 101-2011)

Presenter: Executive Director Fred Blackwell

Director Blackwell stated that, as the Commission was aware, he would be resigning as Executive Director of the Agency effective October 14, 2011 and that they needed to appoint an interim Executive Director effective October 17. Mr. Blackwell stated that the Mayor had recommended and wished the Commission to consider Tiffany Bohee as interim Executive Director. He stated that he supported the Mayor's recommendation and hoped they would consider appointing Tiffany Bohee as interim Executive Director.

President Swig asked if there were any speaker cards.

Commission Secretary responded that there were none.

President Swig asked if anyone in the audience would like to comment on the recommendation of Tiffany Bohee as interim Executive Director.

Speakers: Manny Flores, Carpenters Local 22, Ace Washington

Commissioner Ubalde stated that she was very excited about the opportunity to work with Ms. Bohee. They all know what they are up against regarding the legislation at the state level as well as challenges in the community. She asked Ms. Bohee to speak in her interim role about what future challenges she foresees, what the potential opportunities are, and what her vision was for the Agency and the city.

Ms. Bohee thanked the Commissioners and Director Blackwell for the opportunity and stated she was very pleased and honored to have been selected by the Mayor and to be considered by the Commission for this position. As the Agency moves forward, the hallmark of what the Agency does as a key driver for the city's long-term economic development and growth, there are a number of pillars that she sees as great opportunities for the Agency, even now in the time of constrained resources, the Governor, legislation, and the like, an uncertainty from the communities and development partners. Ms. Bohee stated that they now have an opportunity to continue to push forward whether it is on the economic development front, the major projects, which she has had a hand in such as Mission Bay which is half-done, or the Shipyard, which is on the cusp, or newer projects where the work has not yet begun; Mid-Market, Transbay or Visitation Valley, they need to continue these mixed-use areas. Ms. Bohee reiterated that it is important to instill confidence not only in private investment partners but also in communities, that these projects will continue and that they will not delay in moving forward. Ms. Bohee stated that this is a time to show what the Agency can do, its nimbleness, how integrated it is with the City and County of San Francisco, that they can leverage the resources and the tools that they have to push that agenda forward. She pointed to quality of life issues whether working on smaller scale, neighborhood level, those committed enforceable obligations like in South of Market and other project areas. Ms. Bohee stated that last but not least is pursuing an aggressive affordable housing program. She stated that 30% of the 11-12 budget is dedicated to affordable housing, which has been a hallmark of what this Agency does, providing housing and opportunities for the poorest of the poor as well as working families, so they can live and work in San Francisco. Ms. Bohee stated that this is a great opportunity to showcase what the Agency is about, what it can do and to showcase the priorities of the Commission, the mayor & the community. They are all partners in this.

Commissioner Ubalde stated that she liked that Ms. Bohee used the word partners. The Agency staff and the communities have worked well with Mr. Blackwell and have had great access with each other and getting guidance from each other in particular matters. Ms. Ubalde asked Ms. Bohee how she would utilize the roles of the commissioners in her interim role and inquired as to what Ms. Bohee would ask the Commission to help her with in her new role.

Ms. Bohee stated she would ask for their strong support even though with her experience, she could dive right into the job, but it is important during this period that they communicate, that there be an open door policy to Agency staff and that they be transparent with what they do with the community, state legislators, state & federal agencies, other city departments, and elected officials. She would ask for their support and to partner with her to show strong support for those initiatives of economic development, quality of life and affordable housing so that they can accomplish that agenda and program.

Commissioner Anaya asked Ms. Bohee what she felt would be her biggest challenges in this position.

Ms. Bohee responded that it is important to continue to push forward, there are many uncertainties but they have an agenda and programs that they need to push through. She stated that whether continuing to invest as allowed by the legislation, keeping the job readiness programs and the enforceable contracts going, the work that is already underway must keep moving forward. Ms. Bohee stated that it is important not to think that the world is falling because redevelopment will continue and it is critical to demonstrate for the community and elected officials that they are a model agency. She mentioned that when the Governor signed the legislation, a number of initiatives continued to press through. Ms. Bohee stated that the Governor's Office and the Department of Finance issued press releases lauding the work of the Agency. She stated that the work that the Agency does are examples for other redevelopment agencies in other cities and they must continue to do that work in the face of that.

Commissioner Anaya stated that they talk a lot about jobs. She asked how Ms. Bohee would ensure that workforce development is not only maintained and continued but grows in the underserved communities and how would she ensure that the diversity that this city has is represented.

Ms. Bohee responded that one of the most important things that they can do is to make sure that those major development projects at whatever stage they are in, those that are half complete to those in the planning stages keep going and that they pull their partners in and hold their feet to the fire. The Agency has systems and mechanisms in place to check to see if they are on target. The only way that jobs will be created is to give private development partners the confidence that they can bring the tools to bear and are serious and committed to close these major projects and also working closely with those in the communities, getting out there and providing that assurance that involves one-on-one communication with labor, community development partners and others in the city family. They have federal funds, state funds, and tax increment funds that are available and they need to make sure that they use all the tools in the toolbox to advance the opportunities for local San Franciscans, for their disadvantaged communities and do it in a way that honors the Agency's commitments to the communities that they serve.

Commissioner Covington stated it was great to see Ms. Bohee in these turbulent times and with everything going on with the state, to have someone who knows the Agency and the communities so well and is so well versed in the largest development projects in the city and stated that she was very pleased that her name had been put forward. Ms. Covington stated that she also has had a chance to observe her in her current position and was particularly impressed when Ms. Bohee came in with high energy and lucidity, and that 13 hours later, at 1am, she was just as focused and fresh and on point as she had been earlier in the afternoon. Ms. Covington stated that she knew that Ms. Bohee has the intellect and the stamina for this position. Ms. Covington asked, in terms of jobs and job handlers here in the city, for Ms. Bohee to speak about her relationship with Rhonda Simmons and CityBuild, and how she expects to move forward in a concerted effort to deliver the jobs that they have been promising to people.

Ms. Bohee stated that she thought the key here was partnership and leveraging. She stated that she has a very good and close relationship with Rhonda Simmons as far as mapping out the workforce strategy for the city and how the Agency fits into that, she consulted with Rhonda directly and with Guillermo, the outgoing CityBuild director and Chris Iglesias, the previous CityBuild director. Ms. Bohee stated that they have limited resources but to the extent that they can pool and work collaboratively together, they must be able to advance their collective goals, whether it be training those that have the least amount of skills, and leveraging the work, whether it's funds coming in from HUD or MOE, or other agencies, and others participating in the rebuild, all the way up to those who are fully skilled in the professional services level and who simply want an opportunity to have a piece of that pie. She stated that in fact the pie is large when you look at the major development projects and those that are in their more nascent stages. Ms. Bohee stated that it is important to see the big picture and work collaboratively with the other partners in the city and be aggressive about state and federal resources, agency tax increment funds, and with developer private contributions so they can provide that opportunity to those in need.

Commissioner Covington also mentioned that Ms. Bohee has worked for a long time with the Agency and was a project area leader and for those who remember her as a colleague, now she would be the Executive Director for the entire Agency. Ms. Covington inquired how Ms. Bohee would manage the transition for those that may still see her in her old position to this new position with so much responsibility.

Ms. Bohee stated that, given ten years of experience both with the Mayor's office and with the Agency, she can say to the staff that she values the work that they do, and that she knows their work is critical to the city's long term economic growth and to those in need providing affordable housing. Ms. Bohee stated that she has worked directly over the past decade with state and federal legislators, CEO's, attracting private investment from China & Japan, getting them interested in this opportunity to build and expand whether it be in biotech or clean-tech, letting them know that this is a complex undertaking which she takes seriously. She stated that she felt she was the most suited to provide the continued stability because she has worked in the trenches and she does know and understand the work that the Agency does, has the support of the Commission and the Mayor, and has the experience to be able to make the priorities of the Agency and the Mayor continue to advance.

Commissioner Covington stated that she thought to continue with the open door policy is key and indicated that Ms. Bohee should not hesitate to ask for the Commission's help and guidance. Ms. Covington stated that she would call Ms. Bohee and ask her if she needed any help. Ms. Covington motioned to move the nomination for Ms. Bohee.

Commissioner King seconded the nomination. Mr. King stated that he would be open to Ms. Bohee night and day and that she could call him at home for advice. Mr. King indicated that he has lots of ideas and thoughts about redevelopment. He also stated that he knows that Ms. Bohee has done a good job at the Agency and knows she will continue her good work. Mr. King welcomed Ms. Bohee to the team.

Commissioner Bustos reiterated his support and stated how delighted he was that Ms. Bohee was there. Mr. Bustos stated that he was happy to be able to have continuity with the community and with the staff. He reiterated that Agency staff works very hard and that the Commission is very proud of what the staff does and was very grateful to have someone who understands the challenges of being a staffer, not just with the Agency but a civil servant with the city of San Francisco as well.

Vice President Singh stated that he knows what a good job Ms. Bohee already does, that she has his full support and was sure that she will do a good job.

President Swig appreciated his fellow Commissioners asking the strong and challenging questions that they did. Mr. Swig went on to frame the situation they are in right now. He stated that six weeks ago the Agency faced a very difficult situation when the Governor and legislature decided to take them out of business, then an assembly bill came along taking them out of business and about a month ago the California Redevelopment Agency filed a motion to challenge AB26 & AB27, which put the Agency in further limbo, and then Mr. Blackwell decided to get a fast pass to Oakland, therefore throwing the Agency further into limbo. Mr. Swig stated that this was just the icing on the cake which is always full of challenges and in turmoil, while they are trying to develop 900 acres out on the southeast corner for a most deserving and needy neighborhood, face an exciting opportunity for Mission Bay which is halfway done, Transbay terminal which is in its initial stages, Visitacion Valley which is also important, 6th Street, and the upper Market street area as well. Mr. Swig expressed his appreciation to Ms. Bohee in her decision to take on this challenge. Mr. Swig asked Agency staff to work closely with her because they are the top staff in the country when it comes to redevelopment and to provide every support they can offer to Ms. Bohee during this time of turmoil. Mr. Swig called upon public and the leaders in the public who are most concerned with their redevelopment areas to please support Ms. Bohee as she moves forward in this position. He stated that the Commissioners will throw complete support behind her and work with her with their clients, customers and developers who have hundreds of millions of dollars at stake with these redevelopment projects. Mr. Swig thanked and commended Ms. Bohee for taking on the Mayor's challenge as interim Executive Director. Mr. Swig read the resolution again for clarification and for correction, because it came in very last minute as far as the details. "Resolution No. 101-2011, RA of the City & County of San Francisco desires to appoint Tiffany Bohee as its interim Executive Director. Agreement has been reached with Ms. Bohee as to the terms & conditions of her employment. Accordingly it is resolved by the RA of the city and county of SF, that 1) Tiffany Bohee be appointed to the position as interim Executive Director of the Agency, Sequence #1, Class #500, Salary range #61.00 Step 1, effective Oct 17, 2011 and this appointment is made in accord with all applicable provisions of the Agency's personnel policies and the Agency's salary resolution (No. 92-2011, July 5, 2001).

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER KING, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 101-2011, APPOINTING TIFFANY BOGIE AS INTERIM EXECUTIVE DIRECTOR OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

(b) Commending and expressing appreciation to Fred Blackwell for his dedicated service upon his departure from the Redevelopment Agency of the City and County of San Francisco. (Resolution No. 102-2011)

President Swig stated that, even though they just voted in Ms. Bohee as interim Executive Director, he is totally and completely against Item 4(b) and that it is being forced down his throat. Then Mr. Swig went on to read Resolution 102-2011 to the Commission and audience, commending and expressing appreciation to Fred Blackwell for his dedicated service upon his departure from the Redevelopment Agency of the City and County of San Francisco.

Speakers: Linda Richardson, Amy Neches, Vanessa Dandridge, Ace Washington, Sharon Hewitt, Lucille Castle Brown, Kathy Perry, Doris Vincent, Oscar James.

Commissioner King stated that he appreciated all the years Director Blackwell had given the Agency and that he had done a good job here. But in going to Oakland, Mr. King stated that Mr. Blackwell won't be getting away from Mr. King because he'll be over there in Oakland. Mr. King congratulated him on his new job and said he will see him in Oakland.

Commissioner Covington stated that when Mr. Blackwell called her to let her know about the new position and opportunity in Oakland, she didn't say anything. When she gathered her thoughts, she said, "Well that sounds really good for you, but what about ME? How could you leave us?" She stated that she was very jealous of Oakland to be stealing him away. Ms. Covington stated that when she was Vice President of the Agency, she thought Mr. Blackwell would be the best person to replace the outgoing Ms. Rosen. They had worked together on the public housing taskforce and she was extremely impressed with him. She stated that even though most of the time he was the brightest person in the room, he never acted that way. Mr. Blackwell always listened to what everyone had to say, was always complimentary, patient, and considerate in fostering good relationships and Ms. Covington stated that she always admired that quality as well as his brilliance. She stated he had a big brain and a big heart and that she was so happy they were on the receiving end of all of that goodness and brilliance. Ms. Covington stated that it is going to be tough without him. She stated that she and Fred have a special relationship and that in their community, older women are like the aunties even though not related by blood or marriage and she considers Mr. Blackwell like a nephew. She stated that she is very proud of him and looks forward to hearing more of his successes. The Commission will miss him terribly.

Vice President Singh stated that he was very happy that he was going to his hometown and will miss Mr. Blackwell very much and maybe they will see each other on the weekends. Mr. Singh wished him good luck.

Commissioner Anaya thanked Mr. Blackwell for his willingness to listen and for his openness. She was at first very sad to hear of his leaving, but once she realized how much he wanted this new job, she was very happy for him. Ms. Anaya wished Mr. Blackwell the very best.

Commissioner Ubalde said she was not going to say goodbye because she knew she was going to see Mr. Blackwell all the time in Oakland. She stated that she looked forward to turning to Mr. Blackwell for his advice in tackling touch decisions and challenges. She said she was impressed while listening to the staff and the community speak about how grateful they are for what he has done for them. Ms. Ubalde stated that she will miss him, but Oakland is not that far away and maybe they can still get some advice and input. Ms. Ubalde stated that she appreciated the things that he brought to the city and the communities, that he had been a problem-solver, someone who is critical and was willing to judge in smart ways, and appreciated that he brought himself to this job. Ms. Ubalde stated that Mr. Blackwell managed to bring who he is as a person into the job, which can be difficult but which he did well. She hoped that the things that he brought to the community will become a legacy which the Agency will need to keep in mind when thinking of what the Agency brings to the community. Ms. Ubalde congratulated him and wished him good luck.

Commissioner Bustos stated that when Mr. Blackwell called to him to inform him that he has accepted a position in Oakland as the Assistant City Administrator, Mr. Bustos said, "No you're not, I'll take care of that." As Mr. Blackwell started to talk about it more, he told him, "Well if it's what you really want to do, you are your mother's son." Mr. Bustos told Mr. Blackwell that his mother is a leader and her gifts to Oakland and to the country did not fall too far from the tree. Mr. Bustos stated that after he heard comments from the commission and the community, all he could say is thank you. He thanked Mr. Blackwell for really letting people know that they are being heard and helping them believe that everything they hold dear can come true. Mr. Bustos stated that even though Mr. Blackwell will be joining his mom on that side of the Bay, his work here will continue forward and thanked him for what he has given the Commission. Mr. Bustos stated that Oakland is very lucky to have him and that, by the way, there is an Ace Washington in Oakland whose name is Sonji Honda and Mr. Bustos will be calling him to let him know that Mr. Blackwell is on the way over there. Mr. Bustos stated that Mr. Blackwell's work will continue to help the entire Bay Area.

President Swig stated that when he got the call from Mr. Blackwell, he couldn't repeat his response on the radio. Having had experience in managing people, Mr. Swig stated that he realized that his job was to talk Mr. Blackwell out of that decision but he did not at that moment, because now Mr. Blackwell can go home and be a leader on his own home turf to serve the Oakland neighborhoods. Mr. Swig realized that this was a great and wonderful opportunity for Mr. Blackwell to serve the people of Oakland and that he was not going to try to talk him out of it. Mr. Swig stated that they all wish him the greatest success in Oakland, which needs all the help it can get. As he was reading the resolution, Mr. Swig stated that it just underscored the achievement of a full career accomplished during just four years. They will have the satisfaction of seeing Mission Bay, seeing Alice Griffiths and Hunters View go vertical, seeing the 900 acres of Bayview Hunters Point expand and become the heartland of San Francisco. Mr. Blackwell can look at it from across the Bay. Mr. Swig stated that Mr. Blackwell should be proud of having such a full career in only four years. When Mr. Swig started with the Commission four years ago, he had no clue what redevelopment was all about. He really learned from Mr. Blackwell's guidance at that time and since, sincere, honest, and transparent in every way, a listener and he hears the people, an amazing attribute, as well as an action taker and maker, and has gotten a lot done in four years. Mr. Swig stated that Mr. Blackwell has always had an open door to everyone. It didn't matter whether it was a millionaire developer or a guy who wants a kiosk, Mr. Blackwell treats everyone with equal importance and equal priority. It doesn't matter if the person was a market-rate housing or lowest income housing occupant, Mr. Blackwell is blind to political and economic positions, ethnicity and race. Mr. Swig stated that we all should look to Mr. Blackwell as an example as how to lead our lives. Mr. Swig thanked him for his service and dedication. Mr. Swig indicated that Ms. Bohee will have big shoes to fill.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 102-2011, COMMENDING AND EXPRESSING APPRECIATION TO FRED BLACKWELL FOR HIS DEDICATED SERVICE UPON HIS DEPARTURE FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

Director Blackwell thanked everyone for their kind words and said it was very moving. First he thought that his job was done because he had never heard Amy Neches and Ace Washington speak positively on the same subject. He thanked everyone for their support and guidance and for the opportunities to work on some amazing projects in the city of San Francisco. In addition to the commission in general, he thanked in particular Commissioners Covington, Swig and ex-commissioner Romero, who were all Presidents during his tenure, all of whom were very supportive and accessible to him on commission issues. Mr. Blackwell stated that it is a tremendous and difficult job for the Commission to take all the ideas and recommendations they brought forth every two weeks and listen and deliberate on them. He thanked Mayor Lee and Lt. Governor, former San Francisco Mayor Newsom, who had a lot of confidence in him and gave him those very challenging projects to take on. Mr. Blackwell stated that there were 9 or 10 items that were mentioned as accomplishments and more that could have been accomplished, but if it weren't for the Agency staff, none of them would have come about. He said he was getting all the credit for those things, but wanted everyone to know that everybody contributed to those accomplishments mentioned in the resolution. Mr. Blackwell particularly thanked senior staff who he met with every Monday, especially Amy Neches, Tracy Reynolds, Christine Garcia, Stan Muraoka, Steve Maduli-Williams, Olsen Lee, Sally Oerth, and Jim Morales, who made sure that he followed the law in his zealousness to get things done. He also thanked the his staff--Gia, Jenna and Gina, for making him look good and for making him keep his appointments although sometimes he thought they were trying to kill him. He thanked the staff that worked on the Certificate of Preference program—Chris

Harris, Olsen Lee, Sally Oerth, Adrian Anderson, and Regina Davis, who brought a lot of energy and commitment to make sure that program worked. Mr. Blackwell thanked Michelle Davis and Olsen Lee on the grand reopening of King Garvey, which he claimed was one of the best reopening's he had ever been to. He thanked Erin Carson and Elizabeth Colomello for their work on Alice Griffiths and Hunters View projects. He thanked Christina Garcia and Steven Maduli-Williams for their tireless work on the workforce development program. Mr. Blackwell thanked Project Manager Gaynell Armstrong for her responsible and respectable work in the Western Addition because that work was very delicate and sensitive and well done. Mr. Blackwell closed by stating that he felt they were in very good hands. He stated that he has known Tiffany for a long time, worked with her every Monday on every aspect of negotiation, design, the financing of the projects, and that she is well-equipped in the technical and financial aspects of all these projects, familiar with the shipyard and other project areas and she understands the Agency and has spent a lot of time in the community. He stated that Ms. Bohee has probably attended almost all of the 300 community meetings that have been held. Mr. Blackwell also indicated that he has no second thoughts as far as a bright future of the Agency. He indicated two likely outcomes; they will either throw out AB26 & AB27 or make them stand. The Mayor stands behind the Agency and is ready to pay the money to keep it going because of the good work that the Agency is doing. Mr. Blackwell also acknowledged the great work done by the PAC's and CAC's, who have a tremendous responsibility to their communities. Lastly, Mr. Blackwell has been influenced by a couple of people in his family, one by his mother's side, who instilled in him a great feeling of justice and fairness. His grandfather owned a bar & grill in Harlem, NY, who said two things to him that influenced him: If you leave New York, you are not going anywhere and if you don't own a Cadillac, you don't own a car. Mr. Blackwell stated that he hoped to be able to create the kinds of communities that his grandfather would love the way that he loved Harlem. He thanked Oscar James for the beef brisket. Lastly, he thanked Amy Lee, who has been a great supporter as the deputy handling the finance in such an excellent way that he did not have to handle it.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS: No speakers.

7. REPORT OF THE PRESIDENT:

President Swig reported that last week on a beautiful sunny day in the next great San Francisco neighborhood, along with Leader Nancy Pelosi, Mayor Lee, Supervisor Malia Cohen and Commissioners Covington, and Anaya, he celebrated the going vertical of Hunters View. Mr. Swig mentioned that they had stood there a few months ago amidst buildings that needed to be razed which have now been razed and now the area is ready for new buildings. Mayor Lee pointed out that a couple of years ago, he and Mohamed Uru had placed a great stone sign at the bottom of the hill there which is very fancy and was questioned by people who saw the sign. The mayor responded because the future of this neighborhood is as beautiful as this sign. Mr. Swig indicated that they all look forward to the new housing that will be available for people to inhabit in about 18 months. He also reported that he has asked the Executive Director and staff to place on the agenda an update on the Hunters Point shipyard clean-up progress report because they had not had an update in a long time. Mr. Swig stated that he wanted representatives from the Navy, the city and Agency staff present for a full briefing on the Hunters Point clean-up process.

8. REPORT OF THE EXECUTIVE DIRECTOR:

Mr. Blackwell stated that he had nothing to report.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

President Swig suggested that they adjourn in honor of the achievements of Mr. Fred Blackwell.

10. CLOSED SESSION:

(a) Pursuant to Government Code § 54957 (b) (1) regarding the appointment of an Interim Executive Director.

(b) Conference with legal counsel, pursuant to Cal. Government Code Section 54956.9 (a), regarding existing litigation: San Francisco Redevelopment Agency v. Bank of America, et al.

(c) Pursuant to Government Code §54956.9(c), Conference with Legal Counsel regarding initiation of litigation: one potential case.

11. ADJOURNMENT:

It was moved by Commissioner King, seconded by Commissioner Singh, and unanimously carried that the meeting be adjourned in honor of Mr. Fred Blackwell's achievements at 7:00pm.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

NOVEMBER 15, 2011

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 18th DAY OCTOBER OF 2011

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 18th day of October 2011, at the place and date duly established for holding of such a meeting.

President Swig called the meeting to order at 4:00 p.m.

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

Mr. Swig welcomed Tiffany Bohee, interim Executive Director, to her first meeting as interim Executive Director and wished her good luck in that position.

Ms. Bohee thanked the Commission for the welcome.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Miguel M. Bustos
Francee Covington
Leroy King
Agnes Briones Ubalde

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Tiffany Bohee, interim Executive Director, and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY: No Reportable Actions.

At this time, the Agency Commission will consider taking Closed Session Item 10(a) out of order and recessing to Closed Session.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA :

ALL MATTERS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE REDEVELOPMENT AGENCY COMMISSION, AND WILL BE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A MEMBER OF THE COMMISSION OR THE PUBLIC SO REQUESTS, IN WHICH EVENT THE MATTER SHALL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED AS A SEPARATE ITEM:

(a) Authorizing a Fourth Amendment to the Legal Services Contract with Shute, Mihaly & Weinberger LLP, a Limited Liability Partnership, to increase the contract amount by $200,000, for a total aggregate amount not to exceed $1,250,000, to provide specialized legal services related to public trust and state park issues for the Candlestick Point and Hunters Point Shipyard Phase 2 project; Hunters Point Shipyard and Bayview Hunters Point Redevelopment Project Areas. (Resolution No. 103-2011)

(b) Adopting a Second Amended Enforceable Obligation Payment Schedule pursuant to Community Redevelopment Law Section 34169(g), as required by AB 26. (Resolution No. 104-2011)

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER ANAYA, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO.103-2011, AUTHORIZING A FOURTH AMENDMENT TO THE LEGAL SERVICES CONTRACT WITH SHUTE, MIHALY & WEINBERGER LLP, A LIMITED LIABILITY PARTNERSHIP, TO INCREASE THE CONTRACT AMOUNT BY $200,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $1,250,000, TO PROVIDE SPECIALIZED LEGAL SERVICES RELATED TO PUBLIC TRUST AND STATE PARK ISSUES FOR THE CANDLESTICK POINT AND HUNTERS POINT SHIPYARD PHASE 2 PROJECT; HUNTERS POINT SHIPYARD AND BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREAS; AND, RESOLUTION NO. 104-2011, ADOPTING A SECOND AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO COMMUNITY REDEVELOPMENT LAW SECTION 34169(G), AS REQUIRED BY AB 26, BE ADOPTED.

REGULAR AGENDA

(c) Amendment of Salary Step for Appointment of Tiffany Bohee as Interim Executive Director. (Resolution No. 105-2011)

Presenter: Diane Iwata, Agency Staff

Speakers: None

Vice President Singh put forth a motion to move item 4(c).

Commissioner Bustos seconded Mr. Singh's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 105-2011, AMENDMENT OF SALARY STEP FOR APPOINTMENT OF TIFFANY BOHEE AS INTERIM EXECUTIVE DIRECTOR, BE ADOPTED.

(d) Approving a predevelopment plan for museum space in a proposed mixed-use project on a site at 706 Mission Street (Assessor's Block 3706, Lot 93) and Agency disposition parcel CB-1-MM (Assessor's Block 3706, portion of Lot 277) as required under the Amended and Restated Memorandum of Understanding with the City and County of San Francisco, acting by and through its Arts Commission, and The Mexican Museum, a California nonprofit corporation. (Resolution No. 106-2011)

Presenters: Christine Maher

Speakers: Sean Jeffries, Rachelle Axel, Jonathan Yorba

Commissioner Bustos thanked and congratulated Board members of the Mexican Museum, Mr. Jonathan Yorba and his staff, and everyone who has worked on this project. Mr. Bustos recently heard from a CACHE Commissioner who had previously expressed her concern that she did not feel that she could support this project but in light of the program the Mexican Museum staff had put together, the strides made in the short period of time, and the media coverage they were recently receiving, she expressed to Mr. Bustos that it is a new day and was very proud to support the vote yesterday and to work with other Commissioners to support this project. Mr. Bustos stated that the Museum has now created something almost new and refreshing and has attended events they had hosted and was happy to see how people were excited at the events. Mr. Bustos put forth the idea that the Agency do something possibly with the Planning Commission so that Peter Rodriguez has an opportunity to see this happen. He recommended that the Agency staff be the sole overseer of this project so that they can move this more quickly. He wondered why they would want to put another layer of bureaucracy on top of this when the Museum can stand on its own. Mr. Bustos stated that Mr. Yorba had put together an advisory list of people who could be of assistance.

Ms. Maher responded that there was a three-way agreement between the Arts Commission, the Museum and the Agency and it was decided that Agency staff does not have the expertise in developing museums. Ms. Maher indicated that staff thought it would be useful to have the money run through the Arts Commission rather than the Agency. She indicated that this project would not be considered an Agency staff specialty. However, the Agency does have a direct funding relationship with the Museum via the $10.5 million grant agreement and that is predevelopment and planning expenses. Ms. Maher stated that those are the reasons why the agreements were structured the way they were.

Commissioner Bustos agreed with that statement and indicated that at the next phase then perhaps they could have another conversation. Mr. Bustos put forth a motion to move this item.

Commissioner Covington seconded Mr. Bustos' motion. She stated it was a long time coming and indicated how very proud and happy she was to see this project move forward. Ms. Covington listed and thanked a number of people who worked on this project, specifically: Dr. Jonathan Lorenzo Yorba, Arianta Cervantes, Linda Wertifield, Diva Delatorre, Antelmo Delfaria, Hugo Delgado, Laura Jason, Dr. Mara Perez, and Victoria de Alba and stated that it was amazing that they had accomplished all the things involved in getting the museum going, including, the capital fund raising goals, the framework for meeting those goals, financial feasibility and sustainability for museum space, seeking partnerships and collaborations with other institutions. Ms. Covington stated that finally the stars are aligned and congratulated everyone who had worked on this project.

Commissioner King stated that over the last 15 years he had not been too happy with this Board regarding this issue but he had been working on this since the beginning and now they all see what a good idea this is. Mr. King stated that he appreciated the good work they have done and congratulated everybody who worked on this project. Mr. King specifically noted the work that Victor Marquez had done on this project, stating that he had been the pusher of this project from the beginning.

Commissioner Anaya congratulated everyone and thanked the Agency, the Board and personnel and everyone working on the Museum project from the community and the city for their tremendous vision and lauded the idea of partnering with other organizations to move this project forward. Ms. Anaya stated that this project will help the children of San Francisco.

Vice President Singh stated this has project has been a long time coming with lots of ups and downs and finally they all agree on it and he was very happy to see it coming to its fruition.

President Swig thanked everyone for their comments. Mr. Swig stated that over the past four years, he had seen when they hit bottom on this project and then the Agency threw down the gauntlet and created the challenge for the Mexican Museum to resuscitate itself and they set some high goals for the Mexican Museum, all of which have been achieved. Mr. Swig expressed his appreciation to the Arts Commission staff for taking on the administration of this project because they have the required skill set and agreed that the Agency is not in the Arts business. Mr. Swig thanked the Agency staff for collaborating with the Mexican Museum in the future. Mr. Swig indicated that Mr. Jeffries should go get the building built and then San Francisco will have a new museum.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 106-2011, APPROVING A PREDEVELOPMENT PLAN FOR MUSEUM SPACE IN A PROPOSED MIXED-USE PROJECT ON A SITE AT 706 MISSION STREET (ASSESSOR'S BLOCK 3706, LOT 93) AND AGENCY DISPOSITION PARCEL CB-1-MM (ASSESSOR'S BLOCK 3706, PORTION OF LOT 277) AS REQUIRED UNDER THE AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING WITH THE CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH ITS ARTS

COMMISSION, AND THE MEXICAN MUSEUM, A CALIFORNIA NONPROFIT CORPORATION, BE ADOPTED.

(e) Workshop on the Schematic Design of 200 Sixth Street family housing (formerly known as the Hugo Hotel), 200 Sixth Street at Howard Street; South of Market Redevelopment Project Area.

Presenters: Agency Staff, Jeff White, Matthew Priest, and Owen Kennerly of Kennerly Architecture and Planning

Speakers: Antoinetta III, Christine Ericson, Nancy Hanson

Commissioner Ubalde stated that she was thrilled that this project was finally moving forward. She remembered conversations at the beginning with the Agency and was very happy to finally have a cornerstone development in such a troubled area where she remembered walking with elementary school children and being afraid of being accosted or having something fall on their heads. Ms. Ubalde commended the staff and stated they had done a tremendous job in working with the community, in particular with SOMPAC, to get the buy-in from the residents of the neighborhood and Mercy Housing to get this project moving to much needed residents who need affordable housing and parents who need affordable child-care in the area. Ms. Ubalde inquired about the lighting that had been proposed for street level spaces because this is a high-crime area.

Mr. Kennerly stated that it was too early to have any specific design proposals on that issue but that they would be open to feedback at this time.

Commissioner Ubalde recommended that the environmental design consider lighting that addresses public safety issues and suggested creative designs around lighting that can make the building look and feel attractive but make it safe for pedestrians and incorporate that into the design element. Ms. Ubalde inquired about the 3600 sq. ft retail space and wondered if they had considered multiple incubator opportunities.

Mr. White responded that they are anticipating having the 3600 sq. ft. as three separate spaces and that it would not be one huge space. He indicated it was too early to find a specific tenant, but that they envisioned the corner space would be a larger space, perhaps fusion-ethnic type of restaurant. He indicated that they had been working with the local group to put in a small cafe that would provide some employment training. Mr. White indicated that they had also been working with Urban Solutions.

Commissioner Covington inquired how the residents were to be selected for garage space and also for balconies.

Mr. White responded that when they get to the point of having a marketing plan, there will be a lottery. He stated that parking will be first-come/first-serve in lottery order as would the selection of an apartment with a balcony and that there are 24 private balconies.

Commissioner Covington asked them to consider what population will be at home for longer periods of time in the choice of who gets the balconies. She stated that older people tend to be at home more than younger. Ms. Covington inquired if you are first come/first served and you are #10 on the list, whether that means you get both the parking and the balcony.

Mr. White stated that they had not made any decisions about this yet. He thanked her for a great idea and stated they would take it under consideration.

Commissioner Covington asked them to please consider that. She stated that she thought the design was fabulous and that the facility was a wonderful mirror to the Plaza. Ms. Covington stated that the Plaza has the best view from the laundry rooms and assumed that the laundry rooms in the new facility would be spectacular as well. Ms. Covington noted that in the materials presented, it was stated that the ceilings would be about 8 ft in height, but inquired as to what the exact height would be-- 8½' or 9'. Ms. Covington also asked Mr. Kennerly if he knew the height of the ceilings at the Plaza.

Mr. Kennerly responded that the ceilings heights in the dwelling units will be 8'4" or 8'5" and then step down in the back units to 8' because of the mechanical systems. He stated that ceiling heights were a critical part of the design because they wanted this facility to be classified as a mid-rise rather than a high-rise building and in that case, ceiling heights are set by fire codes and building standards restrictions. Mr. Kennerly believed that the Plaza ceilings floor to floor heights were a little less than these but would have the same constraints in terms of their structure and regulations.

Commissioner Covington inquired as to whether all units will be wheelchair accessible.

Mr. Kennerly responded that yes, all units are considered adaptable to wheelchair accessibility; three units meet the federal accessibility standards and two units are set up for the hearing and vision impaired.

Commissioner Covington inquired as to when construction will begin.

Mr. White stated that he thought it would be in 2013.

Commissioner Covington inquired whether there had been any conversations about coordinating activities from one building to another, e.g., from the Plaza residence to this residence for cross-pollination.

Mr. White stated that they were thinking of having various cross pollination activities with Mercy projects and added that there are some cost-sharing advantages to that with regard to maintenance and management. Mr. White also stated that they are considering placing a car-share pod in Columbia Park about a block away.

Commissioner Covington indicated that she was envisioning some joint activities that could be held maybe twice a year, like a progressive dessert sharing between the two facilities. Ms. Covington stated that because these are sizeable populations, the more people can get to know their neighbors and get together, the more it will help boost the safety and congeniality of the neighborhood. She was envisioning to perhaps make them sister buildings.

Mr. White stated that this is another great idea and said they will consider that.

Ms. Barbara Gualco, Director of Development from Mercy Housing stated they would be happy to explore the cross-pollination idea and that they already do something like that at their other family properties. She stated that Columbia Park runs an after-school program for younger youth which is open to all families in the South of Market area and that they are considering having an enrichment program at 200 6th street directed to more of the teenage group and will be open to other youth in the neighborhood. Ms. Gualco stated that they will look into the Plaza as well.

Commissioner Covington noted that she saw a possibility of a community garden plot which would be of great interest to those with children and older residents and stated that she is a huge fan of community gardens and asked them to consider taking it off the "maybe" list and making it a "definite" item.

Commissioner Bustos commended the team on a great design and liked Commissioner Covington's idea of getting people together and cross-pollinating, perhaps having a Mercy Day. He was delighted that it was such a great looking building and indicated that it goes well with the design of the area.

President Swig wanted to expand on Commissioner Covington's questions as far as comparison to the Plaza. He reiterated that the Plaza was very successful and they are all very proud of it. Mr. Swig inquired about how the two buildings compare regarding module size, ceiling heights, and whether they are anticipating that the new facility will be consistent with finishes, etc.

Mr. Kennerly responded that there is a big difference in the program of both buildings. The Plaza has all studio apartments and the new facility will be all family housing with 1, 2, & 3-bedroom units. He stated that the occupancy level will range with older and younger people. Mr. Kennerly stated that in terms of the width of the units, living room spaces are all about 12' wide and they are very generous with the larger units. He responded that he did not know the dimensions of the Plaza units.

Mr. Priest stated that the Plaza apartments are approximately 300 sq. ft. studios, pretty small, about 11' wide, with small kitchenettes. Other than that, the level of finishes will be similar. He stated that they were anticipating full size kitchens with full size appliances and would include solid surface counter tops of stone and other finishes. Mr. Priest stated that they are working to maximize ceiling heights even in mechanical areas, which would be higher than average. He added that now they are able to do more from a green standpoint and they have discovered floor finishes and carpets with a lower toxicity level at the same price point. Mr. Priest stated that even though there is a large disparity in the size between units, the level of finishes will be higher and the level of amenities on a unit by unit basis will be much higher.

President Swig inquired about hallway width.

Mr. Kennerly stated that hallway width varies from 5' at narrowest and the doors are recessed 18" either side so the hallway opens up to 8' width. He added that the end of the hallway facing Howard Street (and at the other end) opens up even more.

President Swig recalled a previous project discussion about laundry rooms and inquired as to whether community laundry rooms or laundry facilities on each floor are better and asked what their recommendation is on this. He inquired as to whether they are considering one large laundry room or multiple laundry rooms spread out throughout the building.

Mr. White responded that this depends on the type of project. He stated that this is a taller project with fewer units per floor so there is a lot of value in having fewer laundry rooms that can provide multiple machines. Mr. White added that in this configuration because laundry rooms are at the windowed end of the corridor, it would allow for other uses of the space, like amenity spaces and exercise rooms, which are not large but are available for the program. He stated that if the new facility were lower and more horizontal with more units on each floor, then a laundry room on each floor would make sense. Mr. White stated that this configuration will make more of a connection and allow neighbors to get to know each other.

President Swig clarified then that he understood that to mean there will be laundry rooms on every other floor.

Mr. White responded that there will be two larger community laundry rooms on the 3rd and 9th floor.

President Swig inquired with regard to services that will be offered in the new facility. He stated that one of the wonderful things about the Plaza is the community services offered there. Mr. Swig inquired as to what community services will be offered by Mercy or another agency in this housing development.

Ms. Gualco responded that Mercy will have a resident services coordinator onsite that will give residents information about the outside services that they need. She stated that the South of Market childcare center will have a family resource center in the building that has been looking for a long time for a spot to deliver their services on 6th Street to the families who live there. Ms. Gualco added that they will have an after-school program targeted to teens centered on enrichment and they are working with United Players across the street who wants to run a youth-led entrepreneurial business in one of the commercial spaces. Ms. Gualco also stated that they are looking to leverage other buildings in the area as well so that children can go to other after-school programs in other buildings if they want to.

President Swig thanked everyone for their work on this project and for today's presentation.

5. MATTERS NOT APPEARING ON AGENDA: None

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.

Speaker: Sean Templeton

7. REPORT OF THE PRESIDENT:

President Swig welcomed and acknowledged Tiffany Bohee, the new interim Executive Director and thanked her again for taking on this tremendous challenge and for her upcoming leadership. Mr. Swig also mentioned the opening of the new Bindlestiff Theatre as well as the Artwalk that was coincidentally taking place along 6th Street. He stated that the theater was beautifully done and with it being so warm out that evening, it was like taking a trip to New Orleans. Mr. Swig expressed his congratulations to Bindlestiff Studio for getting that theater opened and in use for the community and wished it a great future. Lastly, Mr. Swig wanted to encourage all the listening audience to go out and vote on November 8th because he stated that if you don't vote, you are not taking responsibility for the future leadership of the city.

8. REPORT OF THE EXECUTIVE DIRECTOR:

Tiffany Bohee thanked the Commissioners for their votes and for their confidence in her. Ms. Bohee also thanked the Mayor for his support as well as the representatives from the communities in which she has lived and worked for a long time. Ms. Bohee stated that she is ready to fulfill her duties and obligations to accomplish the good work that the Agency does. In spite of the State's proposal for realignment, Ms. Bohee stated that she is confident that they can work hard and work well to honor their commitment to taxpayers and citizens to improve and contribute to the overall health of the city and county of San Francisco with accountability and transparency. Ms. Bohee indicated that she is looking to repeat Agency success stories and provide an environment where staff can prosper and continue to showcase the valuable projects that the Agency has accomplished for San Francisco. She promised to work hard to earn their respect and trust and that she looks forward to facing the future boldly, honestly, and with innovative intelligent solutions. To that end, Ms. Bohee reported that they had just received notice from the State's Department of Finance that the Agency's community remittance payment will be decreased. Under Assembly bills 26 & 27, Ms. Bohee reiterated that AB27 provides that redevelopment agencies can continue their activity should the court uphold that ruling in January, as long as the city and Agency make an annual payment to go toward school districts and tax amenities. The state determined that the first payment would be approximately $24.4 million. That first determination was appealed and the result of that appeal is that the State reduced that requirement by about $10 million, so the Agency's first payment in January would be $14.6 million. Ms. Bohee stated that this was still a lot of money but less than anticipated and that this reduction will help enable them to move forward that much faster in January. She stated that she was very happy to be able to report that good news. Next was a housekeeping matter and Ms. Bohee asked the Commissioners to please mark their calendars for an all-day retreat on January 10 from 9:30-3:30pm at the South Beach Harbor. Lastly, Ms. Bohee reported there are two meetings remaining for the rest of the year; November 15 and December 6.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

- Commissioner Covington shared that the Contemporary Jewish Museum opened a new exhibit on Houdini which she stated was fabulous, and also that MoAD has a wonderful new exhibit which includes films and asked her fellow commissioners to please make it a point to stop by. MoAD held their 5th Gala Celebration that past

Saturday evening which she attended with Commissioners Singh and Bustos and it was a wonderful evening. The Mission Hiring Hall Gala also took place last week and was a fantastic event. Commissioners King, Singh and Bustos also attended with her. Ms. Covington stated that she was so happy to report that so many of the organizations that they support are doing great work and making the city a better place to live. She congratulated the new interim Executive Director, Ms. Bohee, who has only been on the job for two days and she has already saved the Agency $10 million. Ms. Covington stated that she believed that the Supreme Court will render their decision before the Christmas holiday and they will need to get together as a Commission once that decision is rendered and that it would be a good idea to let the Commission Secretary know of any travel plans between now and the middle of January.

- Commissioner Singh welcomed the President of the Planning Commission, Christina Olague. He stated that he had never seen her there before and wanted to welcome her.

- Commissioner Ubalde stated that she wanted to report on a couple of events that she had attended recently along with Commissioner Bustos. Ms. Ubalde stated that she had attended the reopening of the Bindlestiff Studio Theatre and was able to make brief remarks about the history of establishing that theater as an epicenter of Filipino-American performing arts. She stated that it was really a moving experience to work on that earlier side of activities and then come full circle as a Commissioner inaugurating this much needed community space that many community activists had fought so hard for. Ms. Ubalde thanked the previous and current Commissioners for making that event possible. Ms. Ubalde encouraged people to participate and to visit the theater which is a beautiful space, although they needed to do something about the ventilation because it was very hot in there. The other event that Ms. Ubalde attended on behalf of the Agency was the renaming of the Children's Creativity Museum at Yerba Buena Gardens and thanked the Museum staff, in particular Cathy Pickering. Ms. Ubalde mentioned that she was so very happy to also see Helen Sause, a former Project Manager back in the 90's at the event. She remembered that way back when they were trying to get the word "creativity" in the name and was very happy to discover that indeed it was included.

10. CLOSED SESSION: Pursuant to Section 54957 of the California Government Code, a public employee performance evaluation for the position of Interim Executive Director.

11. ADJOURNMENT:

It was moved by Commissioner Covington, seconded by Commissioner Ubalde, and unanimously carried that the meeting be adjourned at 5:48 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:
NOVEMBER 15, 2011

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